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11 Teodoro Nguema Obiang Mangue

and Sweetwater Malibu, LLC

12 UNITED STATES DISTRICT COURT

13 CENTRAL DISTRICT OF CALIFORNIA

14 WESTERN DIVISION

15 UNITED STATES OF AMERICA,

16 Plaintiff,

17 vs.

18 ONE WHITE CRYSTAL-COVERED
19 "BAD TOUR" GLOVE AND OTHER
20 MICHAEL JACKSON
21 MEMORABILIA; REAL PROPERTY
22 LOCATED ON SWEETWATER
23 MESA ROAD IN MALIBU,
24 CALIFORNIA; ONE 2011 FERRARI
25 599 GTO,

26 Defendants.

CASE NO. 2:11-03582-GW-SS

Hon. George H. Wu

**DECLARATION OF BRIAN M.
WHEELER IN SUPPORT OF
CLAIMANTS' MOTION FOR
SUMMARY JUDGMENT ON THE
LIMITED ISSUE OF PROBABLE
CAUSE; OR, IN THE
ALTERNATIVE, ORDER FINDING
THE GOVERNMENT LACKED
PROBABLE CAUSE AT THE TIME
IT INSTITUTED THE ACTION
FOR FORFEITURE *IN REM***

Hearing Date: June 20, 2013

Time: 8:30 a.m.

Place: Courtroom No. 10

DECLARATION OF BRIAN M. WHEELER

I, Brian M. Wheeler, declare as follows:

1. I am a member of the bar of the State of California and of this Court and an associate at Quinn Emanuel Urquhart & Sullivan, LLP, attorneys for Claimants Vice President Teodoro Nguema Obiang Mangue and Sweetwater Malibu, LLC. I make this declaration of personal, firsthand knowledge, and if called and sworn as a witness, I could and would testify competently hereto.

2. Attached hereto as Exhibit 1 is a true and correct copy of the document bearing Bates No. DOJ_0000167-173, as produced by the United States.

3. Attached hereto as Exhibit 2 is a true and correct copy of the United States' First Set Of Responses And Objections To Claimants' Vice President Teodoro Nguema Obiang Mangue And Sweetwater Malibu LLC's First Set Of Interrogatories To Plaintiff United States Of America (Set One), dated Nov. 5, 2012, which I received via electronic mail from Woo S. Lee, counsel for the United States, on November 5, 2012.

4. Attached hereto as Exhibit 3 is a true and correct copy of the United States' Supplemental Responses And Objections To Claimants' Vice President Teodoro Nguema Obiang Mangue And Sweetwater Malibu LLC's Interrogatory No. 9, dated Jan. 26, 2013, which I received via electronic mail from Woo S. Lee, counsel for the United States, on January 27, 2013.

5. Attached hereto as Exhibit 4 is a true and correct copy of the document bearing Bates No. DOJ_0000584-589, as produced by the United States.

6. Attached hereto as Exhibit 5 is a true and correct copy of the document bearing Bates No. DOJ_0001049-1080, as produced by the United States.

7. Attached hereto as Exhibit 6 is a true and correct copy of a New York Times article retrieved from LexisNexis titled "A Congressional Conflict of Interest," dated Dec. 16, 2011. The article is also available on the New York Times

1 Web site, *available at* [http://www.nytimes.com/2011/12/16/business/a-](http://www.nytimes.com/2011/12/16/business/a-congressional-conflict-of-interest.html)
2 congressional-conflict-of-interest.html.

3 8. Attached hereto as Exhibit 7 is a true and correct copy of the
4 document bearing Bates No. SENATE-PSI-00093596-603, as produced by the
5 United States.

6 I declare under penalty of perjury under the laws of the United States of
7 America that the foregoing is true and correct.

8 Executed on March 15, 2013, at Los Angeles, California.

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11 Brian M. Wheeler
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EXHIBIT 1

REQUESTED BY: MORRISEY, DEBORAH

O F F I C I A L U S E O N L Y

DEPARTMENT OF HOMELAND SECURITY ICE		TECS ACCESS CODE 3	
R E P O R T O F I N V E S T I G A T I O N		PAGE 1	
		CASE NUMBER MI02PR07MI0018	
TITLE: TEODORO NGUEMA OBIANG			
CASE STATUS: INIT RPT			
REPORT DATE 111606	DATE ASSIGNED 111506	PROGRAM CODE 7H0	REPORT NO. 001
RELATED CASE NUMBERS:			
COLLATERAL REQ:			
TYPE OF REPORT: OTHER INFORMATION			
TOPIC: EQUATORIAL GUINEA BACKGROUND INFORMATION			

SYNOPSIS:

On November 13, 2006, agents assigned to the ICE SAC/Miami Foreign Public Corruption Unit initiated a criminal inquiry regarding the financial activities of Teodoro Nguema OBIANG (DOB: 06/26/1969) a.k.a. "Teodorin". It is alleged that OBIANG is diverting funds allocated to the government of Equatorial Guinea for his own personal use.

This investigation will attempt to identify and track assets and accounts owned by OBAING and/or his family in the United States and will attempt to determine if those assets were acquired as a result of a specified unlawful activity.

DISTRIBUTION: SACMI CAPJ	SIGNATURE: _____	
	MORAN	WALTER A SENIOR SPEC AGENT
	APPROVED: _____	
	RUTHERFORD	ROBERT N OI GRP SUPERVISOR
	ORIGIN OFFICE: MI MIAMI, FL - SAC	TELEPHONE: 305 597 6000
		TYPIST: MORAN

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DETAILS OF INVESTIGATION:

Case Background:

Equatorial Guinea

Equatorial Guinea (E.G.) is a West African country, composed of a mainland and five inhabited islands, with a landmass slightly less than the state of Maryland and a population of about 510,000 people. Malabo, on the island of Bioko, is the capital and largest city of the country. Spanish and French are the official languages, but Bantu languages are also spoken.

Equatorial Guinea was colonized by the Portuguese in the late 1600s, ceded to Spain in 1778, and gained independence in the 1960s. After a referendum and constitutional convention, Francisco Macias NGUEMA was elected President of Equatorial Guinea in 1968. Macias subsequently abolished the constitution, established a single-party dictatorship, and declared himself President for Life. His rule occasioned the death or exile of about one-third of the country's citizens. In 1979, Macias was overthrown and executed by his nephew, Colonel Teodoro OBIANG NGUEMA.

OBIANG declared himself President in his uncle's place. Twenty-five years later, OBIANG still holds that position. While a new E.G. constitution was enacted in 1982, and single-party rule was officially ended in 1991, free and fair elections have not followed. According to a July 2004 hearing by the U.S. Senate Permanent Subcommittee on Investigations Committee on Governmental Affairs, the December 2002 election in Equatorial Guinea, in which President OBIANG claimed victory with 97% of the vote, was described by the U.S. State Department as "marred by extensive fraud and intimidation." President OBIANG is also depicted as dominating the E.G. government. In the words of the U.S. State Department, he "names and dismisses cabinet members and judges, ratifies treaties, leads the armed forces, and appoints the governors." A review of top E.G. officials over the past few years shows that many are members of the President's extended family.

The State Department has also been highly critical of the country's human rights abuses, use of torture, and culture of corruption. The IMF has also issued reports critical of the country's lack of transparency and accountability on fiscal matters. Corruption allegations are also commonplace in articles about Equatorial Guinea. For example, one recent U.S. publication wrote: "In 1998, according to the IMF, [the E.G.] government received \$130 million in oil revenue, and Obiang simply pocketed \$96 million of it. Although three of every four Equatoguineans suffer malnutrition, between 1997 and 2002,

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OBIANG spent just over 1 percent of his country's budget on health, by far the lowest of the nine African countries the IMF surveyed. According to a 2002 State Department report, there is "little evidence that the country's oil wealth is being devoted to the public good".

The Subcommittee also found that "despite its poor record on human rights, civil liberty, and democracy, Equatorial Guinea has experienced rapid economic growth during the last five years due to development of its oil resources. In 1996, the multi-national Mobil Corporation (now ExxonMobil) struck oil in the country, and by 2004, 185,000 barrels per day were being produced for the world oil markets. This discovery had a profound effect upon the country, spurring its economic expansion at the rate of 20% annum. Since 1997, U.S. oil companies, including Amerada Hess, ChevronTexaco, ExxonMobil, and Marathon have made substantial investments in oil fields off the E.G. coast as well as in E.G. methanol and liquified natural gas plants. Equatorial Guinea has also become an important source of oil for the United States.

Diplomatic relations between Equatorial Guinea and the United States have varied over the years. In 1995, the United States closed its embassy in Equatorial Guinea. Eight years later, in 2003, the United States agreed to re-establish this Embassy, reportedly at the urging of U.S. oil companies doing business in Equatorial Guinea.

According to the Wikpidia Encyclopedia, "In March 2004, OBIANG announced that there was a complex plot to overthrow him that allegedly involved the intelligence services of the United States, the United Kingdom and Spain. Shortly after 15 people were arrested in Equatorial Guinea in connection with a possible coup attempt, an airplane landed in Harare, Zimbabwe, and was promptly detained by authorities. This story was used for the 2006 UK film Coup!. The Zimbabwean government claimed that the aircraft was carrying armed white mercenaries who were heading to Equatorial Guinea with the aim of toppling Obiang's government. However, the American-based operator of the plane maintained that the men were en route to the Democratic Republic of the Congo to guard commercial mining interests for JFPI Corporation. President Obiang charges that various Western governments wanted to install the head of Equatorial Guinea's government-in-exile, Severo Moto Ns, as president. A man that Equatoguinean media identified as the leader of the mercenaries, Nick du Toit, said he had not intended to kill Obiang, but had hoped to force him into exile."

Currently, OBIANG is suffering from terminal prostate cancer, amongst other illnesses, and is said to be existing in agony. The issue of succession is dominating the country, with a political struggle within the Equato-Guinean elite. OBIANG wants to hand over control to his son Teodoro Nguema OBIANG (a.k.a. "Teodorin"), to succeed him. This move is primarily opposed by

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OBIANG's younger brother Armengol Ondo NGUEMA, who is the former head of national security for E.G. In November 2005, President OBIANG held an important meeting with the Democratic Party of Equatorial Guinea (PDGE), in which it was believed that he intended to create a position of vice president and fill that position with his son. OBIANG'S worsening medical condition demands he travel abroad twice a month, leaving the country more vulnerable to coups.

RIGGS BANK INVESTIGATION

In July 2004, a hearing conducted by the U.S. Senate Permanent Subcommittee on Investigations Committee on Governmental Affairs determined that the Washington D.C. based Riggs bank, during 1995-2003, managed more than 60 accounts and certificates of deposit for Equatorial Guinea, its officials, and their family members, with little or no attention to the bank's anti-money laundering obligations, turned a blind eye to evidence suggesting the bank was handling the proceeds of foreign corruption, and allowed numerous suspicious transactions to take place without notifying law enforcement.

According to the Subcommittee investigation, "in 1995, Riggs Bank opened its first Embassy accounts for Equatorial Guinea. Over the next eight years, the bank opened nearly 50 additional accounts and a dozen certificates of deposit for not only the government of Equatorial Guinea, but also a host of E.G. senior government officials and their family members. By 2003, the E.G. account had become the bank's largest single relationship, with balances and outstanding loans that together approached \$700 million."

The Subcommittee investigation determined that Riggs Bank serviced the E.G. accounts with "little or no attention to the bank's anti-money laundering obligations, turned a blind eye to evidence suggesting the bank was handling the proceeds of foreign corruption, and allowed numerous suspicious transactions to take place without notifying law enforcement." The Subcommittee investigation found that Riggs opened multiple personal accounts for the President of Equatorial Guinea, his wife and other relatives; helped establish offshore shell corporations for the E.G. President and his sons; accepted \$13 million in cash deposits into accounts controlled by the E.G. President and his wife with few questions asked; allowed wire transfers withdrawing more than \$35 million from the E.G. account containing oil revenues for transfer to two unknown companies with accounts in bank secrecy jurisdictions; and

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exercised such lax oversight over the E.G. account manager that, among other misconduct, he was able to wire transfer more than \$1 million in E.G. oil revenues to an account he controlled at another bank. Riggs Bank failed to cooperate initially with the Subcommittee investigation of the E.G accounts, and closed the accounts only after numerous questions raised concerns the bank was unable to resolve. The \$700 million dollars was seized but later returned, Riggs Bank Vice President was indicted on a 27 count indictment for his role in the conspiracy and Riggs Bank agreed to pay a \$16 million fine for their role in the case.

Identification of Targets:

Teodorin Nguema OBIANG (a.k.a. Teodoro Nguema OBIANG)
OBIANG is the son of Equatorial Guinea President Teodoro Obiang NGUEMA and is currently the Minister of Agriculture and Forestry of Equatorial Guinea. OBIANG is in line to succeed his father as President, who was diagnosed with terminal prostate cancer. OBIANG owns several companies and real estate properties in the United States, despite earning an estimated \$5,000 a month from his government job. It was recently reported that OBIANG purchased a home in California for the price of \$35 million.

Eve JEFFERS (a.k.a. Eve)

JEFFERS is the girlfriend of OBIANG and a hip-hop musician and actress residing in California. JEFFERS has been linked to OBIANG through bank accounts and social functions. During Christmas 2005, OBIANG threw a party for Eve and spent close to \$700,000 to rent Microsoft billionaire Paul Allen's 303-foot yacht, "Tatoosh". JEFFERS additionally owns several businesses that OBIANG has account signing authority for.

Rosalina ROMO

ROMO is believed to be the personal assistant for JEFFERS and has extensive knowledge regarding the business relationship between JEFFERS and OBIANG. At this time it is unknown what degree of association ROMO has with OBIANG.

Case Objectives:

At this time, there is no identified Specified Unlawfully

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Activity directly linked to OBIANG's finances. As a result, this case will begin to identify and track assets in the United States associated with Teodorin Nguema OBIANG. These assets will include but are not limited to, bank accounts, registered businesses and corporations, real-estate and other property. Although no Specified Unlawful Activity has been identified, it is believed that the individuals identified in this report and others yet to be identified are utilizing funds stolen from the government of Equatorial Guinea and may also be accepting bribes from both U.S. and foreign companies for personal gain. This investigation will attempt to identify foreign public corruption committed by the targets in which U.S. financial institutions were utilized to facilitate the unlawful activity.

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REQUESTED BY: MORRISEY, DEBORAH

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TECS II - LIST OF RELATED RECORDS

PAGE 1
TN007005

1 RECORD IS RELATED TO BASE RECORD
MI02PR07MI0018001 ROI CMI MORAN W 111606

MI02PR07MI0018 CASE CMI MANZANARES R 111506
TEODORO NGUEMA OBIANG, ET. AL OFFICIALS EQUATORIAL GUINEA

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EXHIBIT 2

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 DANIEL H. CLAMAN, Assistant Deputy Chief
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13 Attorneys for Plaintiff
 14 UNITED STATES OF AMERICA

15 UNITED STATES DISTRICT COURT
 16 FOR THE CENTRAL DISTRICT OF CALIFORNIA

17 UNITED STATES OF AMERICA,	) No. CV 2: 11-3582-GW-SS
18 Plaintiff,)
19 vs.	) Hon. George H. Wu
20 ONE WHITE CRYSTAL-COVERED “BAD)
TOUR” GLOVE AND OTHER MICHAEL	) UNITED STATES’ FIRST SET OF
21 JACKSON MEMORABILIA;	) RESPONSES AND OBJECTIONS TO
22 REAL PROPERTY LOCATED ON	) CLAIMANTS’ VICE PRESIDENT
SWEETWATER MESA ROAD IN MALIBU,	) TEODORO NGUEMA OBIANG MANGUE
23 CALIFORNIA; ONE 2011 FERRARI 599	) AND SWEETWATER MALIBU LLC’S
24 GTO,	) FIRST SET OF INTERROGATORIES TO
	) PLAINTIFF UNITED STATES OF
25 Defendants.	) AMERICA (SET ONE)
)
)

1 The United States of America submits the following responses and
 2 objections to Claimants Second Vice President Teodoro Nguema Obiang Mangué
 3 (Nguema) and Sweetwater Malibu, LLC's (Sweetwater Malibu) (collectively
 4 Claimants) First Set of Interrogatories to Plaintiff United States of America (Set
 5 One) (Interrogatories).

6 **General Objections**

7 The United States objects to each of the Interrogatories on each and every
 8 one of the following grounds, which are incorporated into and made a part of the
 9 United States' response to each and every Interrogatory:

10 1. The United States objects to Claimants' Interrogatories, including but not
 11 limited to all Instructions and Definitions therein, to the extent that they purport to
 12 require disclosure of information protected from discovery by the attorney-client
 13 privilege, the work product doctrine, the deliberative process privilege, the
 14 informant's privilege, the investigative file privilege or any other applicable
 15 privilege, protection, law, rule, regulation, restriction or order. Nothing in these
 16 responses is intended, or may be construed, as a waiver of the work-product
 17 doctrine, or any other privilege, immunity, or doctrine. Should any such disclosure
 18 by the United States occur, it is inadvertent and shall not constitute the waiver of
 19 any privilege.
 20

21 2. The United States objects to Claimants' Interrogatories, including but not
 22 limited to all Instructions and Definitions therein, to the extent that they purport to
 23 impose obligations on the Government beyond the scope of the Court's order
 24 issued on September 6, 2012 (Discovery Order). On September 6, 2012, the Court
 25 authorized Claimants to propound limited discovery on the probable cause the
 26 United States had when it filed the instant forfeiture action. As such, to the extent
 27 that this Interrogatory seeks information beyond the scope of the Discovery Order,
 28

1 the Government objects and will not produce such information, as it is neither
2 relevant nor reasonably calculated to discover evidence that the Government had
3 for purposes of probable cause when it filed the present action. The United States
4 does, however, expressly reserve the right to supplement, clarify, revise, or correct
5 any or all of the Responses and Objections (General and Specific) herein consistent
6 with Fed. R. Civ. P. 26(e), and to assert additional objections or privileges, in one
7 or more subsequent supplemental response(s).

8 3. The United States objects to Claimants' Interrogatories, including but
9 not limited to all Instructions and Definitions therein, to the extent that they are
10 vague, ambiguous, or unclear in identifying the information requested.

11 4. The United States' investigation and development of all facts and
12 circumstances relating to this action is ongoing. These Responses and Objections
13 (General and Specific) are made without prejudice to, and are not a waiver of, the
14 United States' right to rely on other facts or documents at trial.

15 5. The United States objects to the Requests, the Definitions, and
16 Instructions to the extent that they purport to impose any obligations upon the
17 United States that exceed the scope of permissible discovery under the Federal
18 Rules of Civil Procedure, Local Rules of the United States District Court for the
19 Central District of California, the Discovery Order and/or any other applicable
20 rules.

21 6. The United States objects to Claimants' Interrogatories, including but
22 not limited to all Instructions and Definitions therein, to the extent that they are
23 compound, phrased disjunctively or conjunctively, and include subparts in such a
24 manner that is unduly burdensome or confusing, or that seeks to circumvent the
25 limitations on discovery set by the Discovery Order. See, EG, Sattari v. Citi
26 Mortgage, 2010 U.S. Dist. LEXIS 125687, at *3 (D. Nev. Nov. 17, 2010)
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1 (interrogatories “should consist of a brief, simple, direct, and unambiguous
2 question, dealing with one point only.”).

3 7. The United States objects to Claimants’ Interrogatories, including but
4 not limited to all Instructions and Definitions therein, to the extent that they are
5 overly broad, unduly burdensome and unnecessary to the extent that they seek
6 information that may be obtained by Claimants from another source that is more
7 convenient, less expensive or less burdensome. Such information is equally
8 available to Claimants as it is to the Government.

9 8. The United States objects to Claimants’ Interrogatories, including but
10 not limited to all Instructions and Definitions therein, to the extent that they call for
11 or depend upon a legal conclusion.

12 9. The United States objects to Claimants’ Interrogatories, including but
13 not limited to all Instructions and Definitions therein, as unnecessary and unduly
14 burdensome to the extent that they seek information that is already within
15 Claimants’ possession, custody or control, or equally or more easily available to
16 Claimants than it is to the United States.

17 10. The United States objects to Claimants’ Interrogatories, including but
18 not limited to all Instructions and Definitions therein, as unnecessary and unduly
19 burdensome to the extent that they are redundant and duplicative.

20 11. The United States objects to Claimants’ Interrogatories, including but
21 not limited to all Instructions and Definitions therein, as overly broad, unnecessary
22 and unduly burdensome to the extent that they are not limited in temporal scope,
23 and seek information obtained by the Government after it filed the Second
24 Amended Complaint (COMPLAINT) on June 11, 2012.

25 12. The United States objects to Claimants’ Interrogatories, including but
26 not limited to all Instructions and Definitions therein, as overly broad, unnecessary
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1 and unduly burdensome to the extent that they call for the disclosure of
2 information outside the scope of the time, place, subject matter, and circumstances
3 of the occurrences described in the COMPLAINT.

4 13. The United States objects to Claimants' Interrogatories, including but
5 not limited to all Instructions and Definitions therein, to the extent that they seek
6 information outside the possession, custody or control of the Asset Forfeiture and
7 Money Laundering Section of the Department of Justice (DOJ) or the Homeland
8 Security Investigations Division of Immigration and Customs Enforcement,
9 Department of Homeland Security (ICE).

10 14. By making the accompanying Responses and Objections (General and
11 Specific) to the Interrogatories, the United States does not waive, and hereby
12 expressly reserves, its right to assert any and all objections as to the admissibility
13 of such Responses or documents produced pursuant to such Responses into
14 evidence in this action or in any other proceedings, on any and all grounds
15 including, but not limited to, competency, relevancy, materiality, and privilege.
16 Further, the United States makes the Responses and Objections (General and
17 Specific) herein without in any way implying that it considers the Interrogatories to
18 be relevant or material to the probable cause that the United States had when it
19 filed the instant forfeiture action or to the overall subject matter of this case.
20

21 15. The United States objects to Definition No.1 of "YOU," "YOUR,"
22 Plaintiff," "United States," or "the Government" to the extent that Claimants'
23 Interrogatories seek to obtain information not in the possession, custody or control
24 of DOJ or ICE.

25 16. The United States objects to Definition No. 8 regarding
26 "DOCUMENT" or "DOCUMENTS" to the extent that it purports to impose
27 obligations on the United States greater than those set forth in the Federal Rules of
28

1 Civil Procedure, Local Rules of the United States District Court for the Central
 2 District of California, the Discovery Order and any other applicable rules.

3 17. The United States expressly reserves the right to object to additional
 4 discovery into the subject matter of these Interrogatories. By producing
 5 information responsive to these Interrogatories, the United States does not concede
 6 that the information requested or provided is discoverable, relevant, or material to
 7 the subject matter of this action or to the issue of probable cause.

8 **RESPONSES AND OBJECTIONS TO INTERROGATORIES**

9 **INTERROGATORY NO. 1**

10 State all facts that were in YOUR possession on or before April 28, 2011,
 11 which YOU contend support probable cause for forfeiture of each of the
 12 DEFENDANT ASSETS, and IDENTIFY (a) the date YOU first became aware of
 13 such facts; (b) all sources of such facts; (c) all PERSONS with knowledge of such
 14 facts; and (d) all DOCUMENTS that REFER OR RELATE TO such facts.

15 **RESPONSE TO INTERROGATORY NO. 1**

16 The United States objects to Claimants' Interrogatories, including but not
 17 limited to all Instructions and Definitions therein, to the extent that they purport to
 18 impose obligations on the Government beyond the scope of the Discovery Order.
 19 On September 6, 2012, the Court authorized Claimants to propound limited
 20 discovery on the probable cause the United States had when it filed the instant
 21 forfeiture action. As such, to the extent that this Interrogatory seeks information
 22 beyond the scope of the Discovery Order, the Government objects and will not
 23 produce such information, as it is neither relevant nor reasonably calculated to
 24 discover evidence that the Government had for purposes of probable cause when it
 25 filed the present action. The United States does, however, expressly reserve the
 26 right to supplement, clarify, revise, or correct any or all of the Responses and
 27 Objections (General and Specific) herein consistent with Fed. R. Civ. P. 26(e), and
 28

1 to assert additional objections or privileges, in one or more subsequent
2 supplemental response(s).

3 The United States further objects to this Interrogatory to the extent it calls
4 for a narrative. See, e.g., Wilcox v. Changala, 2012 U.S. Dist. LEXIS 5471, at * 6-
5 7 (E. D. Wash. Jan. 18, 2012) (contention interrogatories that “ask the responding
6 party to identify each and every supporting fact about a particular allegation are an
7 abuse of the discovery process”). The United States further objects to this
8 Interrogatory on the grounds that it calls for the disclosure of information subject
9 to the attorney-client privilege, the work product doctrine, or the informant’s
10 privilege. The United States objects to Claimants’ Interrogatories, including but
11 not limited to all Instructions and Definitions therein, to the extent that they seek
12 information outside the possession, custody or control of DOJ and ICE. The
13 United States further objects to this Interrogatory as it is overly broad and unduly
14 burdensome, as the definition of “YOUR” includes foreign sovereign governments
15 and entities other than DOJ and ICE.

16 The United States further objects to this Interrogatory on the ground that it is
17 compound and contains impermissible discrete subparts, which relate to distinct
18 matters and therefore constitutes multiple interrogatories. To the extent that this
19 request seeks information relating to the recruitment or handling of confidential
20 informants by a federal law enforcement agency, the United States objects to the
21 request and will not produce that information. See, e.g., Roviario v. United States,
22 353 U.S. 53 (1957).

23 Subject to and without waiving the foregoing general and specific
24 objections, the United States responds as follows:
25

26 Brigadier General Teodoro Nguema Obiang Mbasogo (President Obiang)
27 seized power from his uncle, President Francisco Macias Nguema, in a military
28

1 coup d'etat in Equatorial Guinea (EG) in 1979. Since that time, President Obiang
2 and a small number of individuals who hold critical positions of political and
3 economic power (Inner Circle) in EG, including his eldest son Teodoro Nguema
4 Obiang Mangue (Nguema), have exercised plenary control of that country's
5 political and economic infrastructure. After large-scale oil reserves were
6 discovered in EG during the 1990s, EG has generated billions of dollars in public
7 revenue from its sale of oil extraction rights to foreign oil companies.

8 **I.**

9 **NGUEMA IS A SENIOR MEMBER OF**
10 **PRESIDENT OBIANG'S INNER CIRCLE**

11 Nguema is a key member of President Obiang's cabinet and an important
12 member of this Inner Circle. He was appointed Second Vice President of EG by
13 his father in May 2012 and placed in charge of national security issues. Prior to
14 being appointed Second Vice President, Nguema served as EG's Minister of
15 Forestry and Agriculture and Minister of Infrastructure. As EG's Forestry
16 Minister, Nguema was in charge of overseeing and regulating EG's timber
17 industry, which is that country's second largest source of foreign exports. Indeed,
18 since first being appointed to the cabinet as Minister of Forestry and Agriculture in
19 1998 at the age of 29, Nguema has remained a minister in President Obiang's
20 Government and is now one of the most senior members of President Obiang's
21 administration and senior staff. Many people believe that Nguema is the
22 presumptive heir to EG's presidency. Additional information responsive to this
23 Interrogatory relating to Nguema's role within the Inner Circle may be ascertained
24 from the COMPLAINT and documents that have or will be produced by the
25 Government, including DOJ_0000584-592; DOJ_000062-94; DOJ_0000394-398;
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DOJ_0000322-326; DOJ_0000359-363; DOJ_0000842-852; and DOJ_00001049-1080; DOJ_0000946-950.

II. NGUEMA'S MODEST LEGITIMATE INCOME

As a public official in EG, Nguema's legitimate salary is approximately \$6,799 per month, or less than \$100,000 per year, according to official EG sources. Additional information responsive to this Interrogatory relating to Nguema's official salary as a public official may be ascertained from the COMPLAINT and documents that have or will be produced by the Government, including DOJ_0000394-398; DOJ_0000322-326; DOJ_0000872-875; DOJ_0000890-894; DOJ_0001441-1460; DOJ_0001049-1080.

III. NGUEMA'S ACQUISITION OF THE \$30 MILLION MALIBU MANSION

Despite making less than \$100,000 per year as a public official, Nguema reached an agreement in or around February 2006 to purchase a mansion estate (Sweetwater Property) on Sweetwater Mesa Road in Malibu, California for approximately \$30 million. The price of the mansion was the equivalent of more than 300 times Nguema's annual salary as a public official. From April 5, 2006, through April 26, 2006, Nguema sent five wires from EG to an escrow account at First American Title Co. Nguema used an account he held at Societe Generale de Banque en Guinee to wire these funds.

In acquiring the Sweetwater Property, Nguema engaged in conduct that demonstrates that he was attempting to conceal the source, ownership and control of the Sweetwater Property. For instance:

- 1 • Rather than acquiring and recording the title to the Sweetwater Property in
2 his name, Nguema used the name of a shell company called Sweetwater
3 Malibu LLC (Sweetwater Malibu).
- 4 • In obtaining an Employer Identification Number (EIN) for Sweetwater
5 Malibu, Christine Nguyen, an employee of George Nagler, a California real
6 estate lawyer, falsely identified herself to the Internal Revenue Service (IRS)
7 as Sweetwater Malibu's principal officer, general partner, grantor, owner, or
8 trustor. Neither the company's articles of incorporation, by-laws or other
9 corporate documents identify Nagler or Nguyen as retaining such authority
10 within the corporation.
- 11 • In addition, Nguyen claimed falsely to the IRS that Sweetwater Malibu was
12 a single member LLC and that she—rather than Nguema—was its sole
13 member.
- 14 • Sweetwater Malibu's articles of organization, which were filed with the
15 California Secretary of State on February 8, 2006, make no reference to
16 Nguema anywhere in the document. Instead, Nagler is listed as the
17 company's initial agent for service of process and an unrelated nominee
18 signed the document as the company's purported "organizer."
- 19 • Nguema required his realtor Neal Baddin to enter into a confidentiality
20 agreement, whereby Baddin was barred from discussing or disclosing
21 Nguema's identity or details relating to the Sweetwater Property transaction
22 to any third party.
- 23 • In or around April 3, 2006, Nagler recommended that Nguema ask that the
24 title company draft the deed so as to hide Nguema's connection with the
25 transaction. Nagler advised Nguema to instruct the title company to "show
26 [Nagler's] office address so that there is no tie in with [Nguema's current
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1 residential] address.” Nagler reminded Nguema that, “The deed is a public
2 document. The other closing documents should [also] go to my address.”

- 3 • In or around April 4, 2006, Nguema responded to, and explicitly approved,
4 Nagler’s recommendation that the Sweetwater Property’s deed list Nagler’s
5 office address (rather than his own). Nguema signed the letter in his own
6 handwriting and returned a copy to Nagler.
- 7 • Although Sweetwater Malibu was required under California law to file a
8 Statement of Information disclosing publicly the name and address of its
9 manager, the type of business it engages in, and the name and address of its
10 chief executive officer, by May 7, 2006, no such statement was filed.
11 Sweetwater Malibu did not disclose such information until September 25,
12 2006, after the transaction to purchase the Sweetwater Property was
13 completed.

14 Additional information responsive to this Interrogatory relating to Nguema’s
15 acquisition of the Sweetwater Property may be ascertained from the COMPLAINT
16 as well as documents that have or will be produced by the Government, including
17 DOJ_0000209-211; DOJ_0000212-217; DOJ_0000218-226; DOJ_0000269-272;
18 DOJ_0000470-476; DOJ_0000838-841; DOJ_0000842-852; DOJ_0000872-875;
19 DOJ_0000890-893; DOJ_0000922-923; DOJ_0000946-950; DOJ_0001049-1-80;
20 SENATE-PSI-124429-126128; SENATE-PSI-118,645-119,028; SENATE-PSI-
21 73109-100926; SENATE-PSI-107290-110260; SENATE-PSI-120250-120265.
22

23 IV.

24 NGUEMA’S ACQUISITION OF THE 25 MICHAEL JACKSON MEMORABILIA

26 Nguema acquired hundreds of thousands of dollars in Michael Jackson
27 memorabilia. In or around December 2010, Nguema used his personal assistant,
28

1 Wanda Kelly, as an intermediary to attend and bid at an auction of celebrity
2 memorabilia. At this auction, Kelly successfully bid on several items, including
3 the defendant white crystal-covered “Bad Tour” glove, on Nguema’s behalf. In
4 March 2011, Nguema again used Kelly to bid and purchase various items of
5 Michael Jackson memorabilia for a total purchase price of \$115,000. In June
6 2011, Nguema again used Kelly to bid on additional items of Michael Jackson
7 memorabilia. Kelly successfully bid on \$379,700 in merchandise. In 2011 alone,
8 Nguema acquired Michael Jackson memorabilia worth more than 5 times his
9 annual public salary.

10 In acquiring this merchandise, Nguema engaged in conduct demonstrating
11 that he was seeking to conceal the source, ownership and control of these assets.
12 For instance:

- 13 • In August 2010, Kelly asked that the auction house revise its invoices so
14 that the purchaser of certain items was listed as “Amadeo Oluy” rather
15 than Nguema. Kelly advised the auction house “Please make sure that
16 [Nguema’s] name does not appear anywhere, he should be invisible.”
- 17 • In December 2010, Kelly bid on and purchased certain items at an
18 auction held in Beverly Hills, California on Nguema’s behalf. Again, the
19 auction house used an alias, instead of Nguema’s name, on the billing
20 invoices. The address of the purchaser was listed as Sweetwater,
21 Malabo, Guinea Equatorial.
- 22 • On or about January 31, 2011, Nguema wired \$872,112 to the auction
23 house in the name of yet another shell company, Eloba Construcccion,
24 S.A., rather than his one name. The items were subsequently shipped to
25 Nguema’s Sweetwater Property.
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1 Additional information responsive to this Interrogatory relating to Nguema's
2 acquisition of Michael Jackson memorabilia may be ascertained from the
3 COMPLAINT as well as documents that have or will be produced by the
4 Government, including DOJ_2435-2480; DOJ_00003516-3852; DOJ_2353-2426.

5 **V.**
6 **NGUEMA'S ACQUISITION**
7 **OF THE FERRARI**

8 On or about November 11, 2010, Nguema also acquired the defendant 2011
9 Ferrari 599 GTO from Ferrari of Beverly Hills with funds in the name of a shell
10 company for more than \$500,000. The value of the defendant Ferrari was the
11 equivalent of more than five times Nguema's annual income as a public official.

12 Nguema wired \$492,997.99 from an EG bank account in the name of yet
13 another shell company, Somagui Forestal, in or around December 16, 2010, to
14 Pacific Western Bank in connection with the purchase of the Ferrari. In addition,
15 Nguema sent three additional wires from EG to Ferrari of Beverly Hills in
16 connection with this purchase, including: (1) a wire for \$25,131.48 on or about
17 November 13, 2009; (2) a wire for \$39,912 on or about November 23, 2009; and
18 (3) a wire for \$14,929.65 on or about December 9, 2009. On or about December 9,
19 2010, \$39,912 was refunded to Nguema by Ferrari of Beverly Hills. These funds
20 were sent to an account held in the name of still another shell company, Mecafis
21 Estate Services LLC, at Wells Fargo Bank.

22 Additional information responsive to this Interrogatory relating to Nguema's
23 acquisition of the Defendant Ferrari may be ascertained from the COMPLAINT As
24 well as documents that have or will be produced by the Government, including
25 DOJ_00001905-2040.
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28

VI.
SUBSTANTIAL ASSET PURCHASES
THAT ARE INCONSISTENT WITH NGUEMA'S
LEGITIMATE INCOME

Between 1998 and 2011, Nguema spent more than \$100 million acquiring luxury assets and property in the United States, France and South Africa. These expenditure are wholly inconsistent with his annual salary of \$100,000 per year. During a period of three months in 2006, for instance, Nguema spent \$68 million on two assets in the United States: the \$30 million Sweetwater Property and a \$38 million Gulfstream G-V jet aircraft. These purchases alone amounted to more than 680 times Nguema's annual income as a public official. As explained below, these asset purchases are entirely inconsistent with Nguema's legitimate income as a public official.

In addition to the Sweetwater Property and the Gulfstream jet, Nguema purchased at least 26 luxury automobiles and motorcycles in the United States, including:

- a 2006 Aston Martin,
- five Bentley automobiles,
- two Bugatti Veyron vehicles,
- seven Ferrari sports cars,
- a Lamborghini,
- a Maserati,
- two Mercedes automobiles,
- a Porsche Carrera GT,
- four Rolls-Royces,
- five Harley-Davidson motorcycles, and

- two Toiks Choppers.

The value of these automobiles and motorcycles was in or around \$12 million (worth more than 120 times Nguema's annual public salary). Nguema also (i) purchased a \$6 million home in Bel Air in 2001 (worth more than 60 times Nguema's annual public salary); (ii) acquired two 50-foot racing boats for over \$2 million in 2005 (worth more than 20 times Nguema's annual public salary); (iii) spent \$2,270,187.50 on various Michael Jackson memorabilia in 2010 (worth more than 22 times Nguema's annual public salary); and (iv) spent \$494,700 on additional Michael Jackson memorabilia in 2011 (worth nearly 5 times Nguema's annual public salary).

After acquiring the Sweetwater Property in 2006, Nguema also continued to wire millions of dollars into the United States to pay for the Sweetwater Property's maintenance and upkeep as well as for other expenses, including expensive vacations and yacht rentals. For instance between May and September 2009, Nguema wired \$609,300 to Yachtzoo, a company in Ft. Lauderdale, Florida, in connection with a luxury yacht rental. Similarly, during the Christmas holiday in 2005, Nguema spent in or around \$600,000 to rent a luxury yacht called the Tatoosh.

In addition to Nguema's asset purchases in the United States, Nguema acquired a luxury residence on Avenue Foch in Paris. This residence is located in the XVIth Arrondissement of Paris, one of the most expensive neighborhoods in the Western hemisphere. Nguema also acquired several additional luxury automobiles in France, including:

- a Ferrari Type 51 (acquired in 2000 for in or around approximately \$240,000),
- a Ferrari type 550 (acquired in 1998 for in or around \$199,675),

- a Bugatti Veyron (acquired in 2006 for in or around \$1,547,923),
- a second Bugatti Veyron (acquired in 2006 for in or around \$1,294,250),
- a Maserati Coupe F1 (purchased in 2005 for in or around \$106,128),
- a Maserati MC12 (acquired in 2005 for in or around \$917,623),
- a Maybach 62 (acquired in 2002 for in or around \$660,687) and
- a Rolls Royce Phantom Limousine (purchased in 2005 for in or around \$493,109).

In South Africa, Nguema purchased two pieces of real estate for approximately \$7 million (more than 70 times Nguema's annual public salary). In addition to these two properties, Nguema purchased still more luxury vehicles in South Africa, including two Bentley automobiles for approximately \$970,000 and a white 2005 6-litre Lamborghini Murcielago for approximately \$440,000.

On or about March 12, 2009, the City of London Police Economic Crimes Division informed the United States that Nguema was attempting to open a bank account in the United Kingdom. The bank account, according to the City of London Police, was to receive and hold \$350 million. These funds were expected to be transferred from an account in Spain, that was opened by a third-party nominee of Nguema. The City of London Police also reported that these funds were purportedly obtained through illegal means.

In or around June 2008, Nguema retained Kusch Yacht Projekte GmbH Am Hafen (Kusch) in Germany to design and build a \$380 million yacht (worth more than 3,800 times Nguema's annual public income). Nguema paid the company €200,000 in three segments on July 30, 2008; October 2, 2008; and October 31, 2008, for work completed in relation to the pre-design of this yacht.

Additional information responsive to this Interrogatory relating to Nguema's acquisition of assets in the United States and abroad may be ascertained from the

COMPLAINT and documents that have or will be produced by the Government, including DOJ_0000174-0000177; DOJ_0000183-188; DOJ_0000189-192; DOJ_0000193-198; DOJ_0000218-226; DOJ_0000237-240; DOJ_0000265-268; DOJ_0000269-272; DOJ_0000278-280; DOJ_0000281-284; DOJ_0000309-314; DOJ_0000342-345; DOJ_0000364-369; DOJ_0000378-383; DOJ_0000440-442; DOJ_0000447-449; DOJ_0000450-453; DOJ_0000454-456; DOJ_0000457-461; DOJ_0000462-463; DOJ_0000464-469; DOJ_0000470-476; DOJ_0000842-863; DOJ_0001049-1080; DOJ_0001441-1460; DOJ_1652-1904; DOJ_2041-2352; DOJ_00001905-2040; DOJ_2481-2549; DOJ_3005-3117; DOJ_3118-3515; DOJ_2427-2434; DOJ_2353-2426; SENATE-PSI-117457-118644; SENATE-PSI-124429-126128; SENATE-PSI-118,645-119,028; SENATE-PSI-107290-110260; SENATE-PSI-73109-100926; SENATE-PSI-120250-120265.

VII.
NGUEMA'S FALSE OR INCONSISTENT STATEMENTS
TO EXPLAIN HIS SOURCES OF INCOME AND WEALTH

Between 2004 and 2011, Nguema provided differing and inconsistent explanations as to the source of his personal income and wealth. In 2007, when asked by Comerica Bank in Los Angeles, Nguema's representative Anne Morse advised the bank that Nguema was unemployed and that his income was derived from trading expensive automobiles and a family inheritance. Two years later in 2009, Nguema told officials at the United States Embassy (Embassy) in EG that other than his income as a public official, the source of his wealth was commercial logging operations performed by a Malaysian company in EG. Two years after that in 2011, Nguema changed his explanation yet again, claiming to Ambassador Alberto Fernandez, the United States' then Ambassador to EG, that his personal wealth was derived from government infrastructure contracts.

1 Yet, on other occasions, Nguema could provide few, if any, specific details
2 as to the source of his income. For instance, in or about September 2004, City
3 National Bank in California requested Nguema identify the source of the funds that
4 were held in his closed CNB account in California. Nguema provided no details
5 other than to state that they were from one of two EG companies he owned—
6 Somagui Forestal or Sofona. Even when CNB refused to provide Nguema with his
7 funds and Nguema sued in California Superior Court, Nguema was still not able to
8 provide any details or any financial data relating to his purported commercial
9 activities and the source of his wealth.

10 Two years later in 2006, the same year that Nguema acquired the
11 Sweetwater Property, McAfee and Taft, an Oklahoma-based law firm and escrow
12 agent, repeatedly asked Nguema to provide details as to the source of his income in
13 connection with his attempt to purchase a Gulfstream aircraft for \$38.5 million.
14 Despite repeated attempts by McAfee and Taft attorneys to obtain this information
15 from Nguema and his lawyer, Nguema failed to respond. As a result, McAfee and
16 Taft refused to participate further in the transaction and returned all of Nguema's
17 funds in the escrow account.

18 Three years later in 2009, the staff of the United States Senate's Permanent
19 Subcommittee on Investigations (PSI) also contacted Nguema to obtain details as
20 to the source of his income and wealth in connection with their 2010 report on
21 foreign corruption. Despite being promised by Nguema's attorney that this
22 information would be provided, the PSI staff received no such information. That
23 same year, Nguema also claimed falsely to Anton K. Smith, the United States
24 Embassy's deputy chief of mission, that some of his wealth was due to the fact that
25 the value of the Sweetwater Property had doubled in value since he acquired it in
26 2006. But, in the period between 2006 and 2009, there is no evidence that the
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1 Sweetwater Property was ever valued at anything close to \$60 million, as Nguema
2 claimed.

3 Additional information responsive to this Interrogatory relating to Nguema's
4 inability to explain the source of his income and wealth may be ascertained from
5 the COMPLAINT and documents that have or will be produced by the
6 Government, including DOJ_0000584-592; SENATE-PSI-124429-126128;
7 SENATE-PSI-10216-110308; SENATE-PSI-101514-107289; SENATE-PSI-
8 119217-120245 .

9 **VIII.**
10 **NGUEMA'S CONTENTION THAT HIS EG COMPANIES**
11 **EARNED TENS OF MILLIONS OF DOLLARS LACKS CREDIBILITY**

12 Nguema's contention that his forestry companies in EG, Grupo Sofona
13 (Sofona) and Somagui Forestal (Somagui), generated tens of millions of dollars in
14 annual revenue lacks credibility. Nguema claims that he owns two companies in
15 EG—Sofona and its subsidiary Somagui. Sofona purportedly generated \$26.8
16 million in revenue from "exporting hard timber" in 1999; \$24.92 million in 2000;
17 and \$30.3 million in 2001. The International Monetary Fund's (IMF)
18 macroeconomic data for EG indicates that EG's entire forestry-related gross
19 domestic product (GDP) amounted to in or around \$45,022,970 in 1999;
20 \$41,134,751 in 2000; and \$38,575,268 in 2001.

21 If Nguema's financial representations are accurate, this would mean that
22 even though seventy-nine other individuals and companies also owned timber
23 concessions in EG, Sofona was singlehandedly responsible for generating 59.5
24 percent of EG's forestry-related GDP in 1999; 60.5 percent of EG's forestry-
25 related GDP in 2000; and 78.5 percent of EG's forestry-related GDP in 2001. It
26 would also mean that Sofona was responsible for singlehandedly exporting in or
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around 477,190 cubic meters of timber from EG in 1999; 432,575 cubic meters of timber in 2000; and 525,950 cubic meters of timber in 2001.

	SOFONA's Purported Annual Revenue	EG Forestry GDP	Percentage of EG Forestry GDP Allegedly Attributable to SOFONA
1999	\$26.8 million	\$45,022.970	est. 59.5%
2000	\$24.92 million	\$41,134,751	est. 60.5%
2001	\$30.3 million	\$38,575,268	est. 78.5%

Yet, despite Sofona's purported dominance of EG's forestry sector, and the inevitable commercial footprint that such a company would have in EG's commercial marketplace, international financial institutions and law enforcement authorities have been unable to find evidence of this company's actual operations and/or earnings. Moreover, despite being asked by business partners, associates, financial institutions, and foreign governments about the source of his income, Nguema has repeatedly failed to provide any specific details as to the source of his wealth, including Sofona's operations, personnel, financial data, profit margins, contracts, and/or business relationships.

Additional information responsive to this Interrogatory relating to Nguema's representations about Sofona and its dominance of the EG forestry sector may be ascertained from the COMPLAINT as well as documents that have or will be produced by the Government, including SENATE-PSI-122837-124428; DOJ_00001536-1651; DOJ_1314-1331.

IX.

**NGUEMA'S USE OF SHELL COMPANIES AND NOMINEES
TO ACQUIRE ASSETS AND OPEN BANK ACCOUNTS**

Between 2000 and 2011, Nguema created and used more than six shell companies to acquire assets, open bank accounts and transfer funds to conceal the source, origin and/or ownership of his assets and funds. Nguema opened accounts in the names of these shell companies as early as 2000. None of these shell companies engaged in any legitimate commercial or economic activity. Nguema's representatives frequently opened bank accounts at American financial institutions in the names of these shell companies without disclosing Nguema's association with these companies. Nguema's funds were then funneled through multiple accounts and multi-layered transactions. Nguema's utilization of these shell corporations, nominees and complex layered transactions served no business or commercial purpose other than to conceal the origin, ownership and/or source of his assets and funds in the United States.

For instance, between 2000 and 2004, Nguema had three accounts at Riggs National Bank (Riggs) in the names of TNO Entertainment LLC (account numbers 76-889-55 and 76-923-450). One of these accounts had a balance that fluctuated between \$17,000 and \$11.6 million. In addition, Nguema also had an account in the name of Awake, Ltd., a Bahamas corporation.

Nguema also formed at least six shell companies in California. These entities included:

- (i) **Sweet Pink, Inc.** Nguema formed Sweet Pink, Inc. in 2005 and used it to open a bank account at Union Bank of California (UBOC) in September 2005. Sweet Pink was incorporated in California and listed George Nagler as its registered agent. Sweet Pink engaged in

1 no economic or commercial activity of any kind. Its only apparent
2 function was to conceal Nguema's association with this account from
3 UBOC. Nguema wired \$29,947.50 into Sweet Pink's account from an
4 EG bank account in the name of Somagui in or around October 19,
5 2005.

- 6 (ii) **Unlimited Horizon, Inc.** Nguema used Unlimited Horizon to open
7 Bank Accounts at UBOC, Commercial Capital Bank and Citibank in
8 Los Angeles. Unlimited Horizon is incorporated in California and
9 lists Michael Berger, another California lawyer, as its registered agent.
10 Unlimited Horizon did not engaged in any economic or commercial
11 activity. Its only apparent function was to conceal Nguema's
12 association with this account from American financial institutions. It
13 also served as a receptacle for Nguema and Michael Berger to funnel
14 money through layered transactions. Unlimited Horizon's
15 Commercial Capital Bank account received the following three wires
16 from EG: (i) a wire for \$19,946.25 from Somagui on or about
17 February 16, 2006; (ii) a wire for \$49,945 from Somagui on or about
18 March 23, 2006; and (iii) a wire for \$39,944.81 from SOCAGE on or
19 about June 16, 2006. Between November 24, 2006 and June 6, 2007,
20 Unlimited Horizon's UBOC account was the ultimate destination of
21 eight wires from Nguema, which were funneled through accounts
22 controlled by Berger at UBOC and Somagui at CCEI Bank in EG,
23 amounting cumulatively to approximately \$1,599,419. Between July
24 27, 2007, and November 6, 2007, Nguema funneled over a \$1 million
25 from EG through Berger's client trust account at Bank of America
26 (BOA) to Unlimited Horizon's account at Citibank. These funds were
27
28

1 used for the maintenance and upkeep of the defendant Sweetwater
2 Property.

3 (iii) **Beautiful Vision, Inc.:** Nguema used Beautiful Vision to open bank
4 accounts at BOA. Berger was also listed as a signatory on the
5 accounts. Beautiful Vision did not engage in legitimate economic or
6 commercial activity of any kind. Its only apparent function was to
7 conceal Nguema's association with this account from BOA. Beautiful
8 Vision, Inc. was formed in California and listed Berger as its
9 registered agent. Between November 1, 2004, and November 2005, at
10 least \$1 million in funds originating from EG were funneled into
11 Beautiful Vision's accounts at BOA.

12 (iv) **Sweetwater Malibu, LLC.** Nguema formed Sweetwater Malibu
13 LLC in 2006 and used it to take title to the defendant Sweetwater
14 Property. Sweetwater Malibu did not engage in any economic or
15 commercial activity. Its only apparent function was to conceal
16 Nguema's ownership of the Sweetwater Property. Nguema opened
17 one account in 2006 using Sweetwater Malibu's name at California
18 National Bank. In or around June 12, 2006, Nguema wired \$249,899
19 to this account from EG.

20 (v) **Sweetwater Management, Inc.** Nguema formed Sweetwater
21 Management in 2006 and used it to open three bank accounts at
22 California National Bank in 2006. Sweetwater Management was
23 incorporated in California and listed George Nagler as its registered
24 agent. Sweetwater Management did not engage in any economic or
25 commercial activity. Its only apparent function was to conceal
26 Nguema's association with this account from an American financial
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1 institution. This shell company was used to hire personnel to care for
 2 the defendant Sweetwater Property's maintenance and upkeep and to
 3 open an account, whose funds would be used for the maintenance and
 4 upkeep of the defendant Sweetwater Property.

5 (vi) **TNO Entertainment, LLC:** Nguema used TNO Entertainment to
 6 open bank accounts at Riggs and City National Bank in or around
 7 March 2004. TNO Entertainment was formed in California and listed
 8 Adam Siegler as its registered agent.

9 (vii) **Amadeo Oluy.** Nguema acquired substantial assets and engaged in
 10 commercial transactions using the alias—Amadeo Oluy. As
 11 explained above, in acquiring various items of Michael Jackson
 12 memorabilia, including the defendant Michael Jackson memorabilia,
 13 Nguema, through his personal assistant Wanda Kelly, asked that the
 14 auctioneer list Amadeo Oluy, rather than Nguema's actual name, on
 15 various invoices and billing sheets. Similarly, in dealing with Nor-
 16 tech, a boating company in N. Fort Myers, Florida, Nguema spent
 17 thousands of dollars in 2010 on various services related to his Nor-
 18 Tech Hi Performance Boats. In dealing with Nor-Tech, the invoices
 19 list Amadeo Oluy, rather than Nguema, as Nor-Tech's client.
 20

21 Additional information responsive to this Interrogatory relating to Nguema's
 22 formation and use of shell companies may be ascertained from the COMPLAINT
 23 and documents that have or will be produced by the Government, including
 24 DOJ_0000212-217; DOJ_0000218-226; DOJ_0000252-257; DOJ_0000285-288;
 25 DOJ_0000289-296; DOJ_0000470-476; DOJ_3516-3582; DOJ_3853-3913;
 26 DOJ_2353-2426; DOJ_00001093-1158; SENATE-PSI-122837-124428; SENATE-
 27 PSI-124429-126128; SENATE-PSI-73109-100926; SENATE-PSI-120250-
 28

1 120265; SENATE-PSI-120250-120265; SENATE-PSI-120374-122836; SENATE-
 2 PSI-72041-73108; SENATE-PSI-101000-101513; SENATE-PSI-70636-70717;
 3 SENATE-PSI-100927-100999.

4 **X.**

5 **OTHER SUSPICIOUS CONDUCT IN**
 6 **ACQUIRING AND MAINTAINING ASSETS**

7 In addition to using shell companies and nominees to acquire assets and
 8 transfer funds, Nguema engaged in other practices that suggest that he was seeking
 9 to conceal the source, origin and/or ownership of certain assets and funds. In
 10 addition to opening accounts and actively moving funds in the name of shell
 11 companies and nominees, Nguema used third-party nominees to layer his
 12 transactions and move funds through multiple accounts to conceal the source,
 13 origin and/or ownership of his funds.

14 For instance:

- 15 • Nguema funneled money through Berger's attorney client trust account at
 16 BOA and UBOC to other accounts he controlled in the names of various
 17 California shell companies, including Unlimited Horizon. Specifically,
 18 Nguema wired funds from EG to Berger's trust accounts at BOA and
 19 UBOC. Berger, then, withdrew these funds, acquired cashier's checks with
 20 those funds, and deposited those checks into accounts held in the name of
 21 Unlimited Horizon at UBOC and Citibank. These funds were used for the
 22 maintenance and upkeep of the defendant Sweetwater Property.
- 23 • After Sweet Pink was formed in 2005, Christine Nguyen filed a false
 24 application with the IRS to obtain an EIN for the company. In so doing, she
 25 identified herself as the company's principal officer, general partner,
 26 grantor, owner, or trustor. Neither the company's articles of incorporation,
 27
 28

1 by-laws or other corporate documents identify Nagler or Nguyen as
2 retaining such authority within the corporation. Indeed, contrary to the false
3 representations on the IRS application, when faced with a Congressional
4 subpoena, Nagler explained in written responses provided to the PSI staff,
5 that Nguema—not Nguyen— was Sweet Pink’s “sole owner.”

- 6 • On or about May 23, 2006, Melinda DeHaven, Nguema’s personal assistant,
7 filed a false EIN application with the IRS for Sweetwater Management, Inc.,
8 claiming that she was the company’s principal officer, general partner,
9 grantor, owner, or trustor. Neither the company’s articles of incorporation,
10 by-laws or other corporate documents identify DeHaven as retaining such
11 authority within the corporation. Again, when faced with a Congressional
12 subpoena, Nagler explained in written responses provided to the PSI staff,
13 that Nguema—not DeHaven—served as the corporation’s “sole director,
14 President, Secretary and Chief Financial Officer.” The funds wired to this
15 shell company’s account at California National Bank were used for the
16 maintenance and upkeep of the defendant Sweetwater Property.

17 Additional information responsive to this Interrogatory relating to Nguema’s
18 formation and use of shell companies may be ascertained from the COMPLAINT
19 and documents that have or will be produced by the Government, including
20 DOJ_0000212-217; DOJ_0000285-288; DOJ_0000289-296; SENATE-PSI-
21 124429-126128; SENATE-PSI-73109-100926; SENATE-PSI-120250-120265;
22 SENATE-PSI-120374-122836; SENATE-PSI-72041-73108.
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XI.

**NGUEMA'S MISAPPROPRIATION, THEFT
AND EMBEZZLEMENT OF PUBLIC FUNDS**

**A. Nguema's Abuse and Manipulation of Public Infrastructure Contracts
to Misappropriate Public Funds**

After oil was discovered in EG during the 1990s, EG invested hundreds of millions of dollars in building public infrastructure projects. In February 2003, at the age of thirty-three, Nguema was appointed by his father to the newly-created post of EG's Minister of Infrastructure and Forests. Three years later, Nguema managed to wire more than \$68 million out of EG to acquire both the defendant Sweetwater Property and a \$38 million Gulfstream GV jet aircraft.

In an affidavit Nguema filed with the Cape Town High Court in South Africa on August 8, 2006, the same year that Nguema acquire the Sweetwater Property, Nguema acknowledged that he, like other EG cabinet ministers, bids on and benefits from obtaining government contracts awarded to them by his father's government. In that affidavit, Nguema affirmed:

Cabinet Ministers and public servants in Equatorial Guinea are by law allowed to [own] companies that, in consortium with a foreign company, can bid for government contracts and should the company be successful, then what percentage of the total cost of the contract the company gets, will depend on the terms negotiated between the parties.

But, in any event, it means that a cabinet minister ends up with a sizeable part of the contract price in his bank account.

*

*

*

One of the companies that I own is SOCIEDAD DE CARRETERAS DE GUINEA ECUATORIAL ("SOCAGE"), with a bank account at the CCEI BANK GE, in BATA, the commercial capital of [EG].

EG's infrastructure and construction industry, which Nguema was responsible for regulating when he was EG's Infrastructure Minister, is where

1 corruption is the most pronounced, according to a report drafted by Ambassador
2 Fernandez in 2011. EG's corruption exists in its "murkier transactions such as
3 sweetheart deals, influence peddling, construction contracts and finder's fees." On
4 March 21, 2011, Nguema met with Ambassador Fernandez and claimed that his
5 personal wealth was attributable to infrastructure contracts awarded to his private
6 businesses by the EG Government—the very industry that Ambassador Fernandez
7 concluded was where corruption was most prevalent in EG, and the same industry
8 that Nguema was in charge of regulating as Infrastructure Minister.

9 In 2009, Anton Smith, the United States Embassy's deputy chief of mission,
10 noted that he was also concerned that the awarding of public infrastructure
11 contracts in EG was particularly vulnerable to corruption. According to Smith, "It
12 is in these downstream, public expenditures that we lose visibility and in which the
13 greatest opportunities for corruption persist. Rumors abound of influence buying,
14 bid rigging and kickbacks" in EG. With respect to Nguema specifically, Smith
15 noted that Nguema "lives the life of an international playboy and is widely accused
16 of corruption."

17 Indeed, by March 2004, two years prior to Nguema's acquisition of the
18 Sweetwater Property, Africa Confidential, a U.K. based publication focusing on
19 Africa, reported that, "[Nguema] control[led] much of the infrastructure portfolio"
20 funded by the EG Government's oil revenues. Africa Confidential reported that:

21 The generals who had previously run lucrative cartels in consumer
22 imports, air and road transport, construction and cement etc. then had
23 to secure approval from [Nguema's Infrastructure] Ministry. He tried
24 to block merchandise coming in for [other EG officials and
25 businesses]. Compared by some to Iraq's late Uday Hussein,
26 [Nguema] expanded his empire rapidly and started pressuring French,
27 Spanish and other foreign companies.
28

1 Additional information responsive to this Interrogatory relating to Nguema's
2 involvement in EG's construction and infrastructure sector may be ascertained
3 from the COMPLAINT as well as documents that have or will be produced by the
4 Government, including DOJ_0000584-592; DOJ_688-718; DOJ_0001049-1080;
5 DOJ_1652-1904; DOJ_0000303-308; DOJ_0000315-321; DOJ_0000413-416;
6 DOJ_0000417-421; DOJ_0000422-425; DOJ_0000426-430; DOJ_0000431-434;
7 DOJ_0000834-837; DOJ_0000864-871; DOJ_00003853-3913; DOJ_0000946-
8 950.

9 **1. Nguema's Corrupt Relationship with General Work.**

10 General Work is a major construction company in EG specializing in large-
11 scale government infrastructure projects. Italian law enforcement authorities,
12 including officers of the Guardia di Finanzia (GdF), Italy's financial police,
13 reported that they believed that between 2000 and 2007 Nguema stole EG public
14 funds by funneling government revenue through General Work. General Work
15 was originally formed by two Italian nationals Giulio Cistaro and Giuseppe Vona
16 in 2001 and managed by Vona, Andrew Mannarino and Igor Celotti. Because of
17 Celotti's close relationship to President Obiang, General Work was awarded major
18 government infrastructure contracts in EG beginning in the early 2000s. By 2011,
19 General Work had become one of the largest construction companies in EG. The
20 GdF believed that 45 percent of the revenue earned by General Work in EG was
21 funneled as kickbacks to Nguema. During this same time period, Nguema
22 acquired the defendant Sweetwater Property, sent hundreds of thousands of dollars
23 from EG into the United States to fraudulently opened bank accounts for the
24 maintenance and upkeep of this property, and made tens of millions of dollars of
25 lavish expenditures and purchases.
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1 The Judicial Police Squad at the Procure in Udine, Italy identified a network
2 of bank accounts in Italy, Austria, Spain, Monte Carlo and Luxembourg controlled
3 by Nguema and his father. The GdF explained that they believed that these
4 accounts were derived from monies embezzled from the EG Government by
5 Nguema and President Obiang through infrastructure contracts awarded to General
6 Work by President Obiang.

7 In 2007, Celotti was killed in an airplane crash near Mongomo, a city on
8 EG's mainland. The GdF believed that the circumstances surrounding this crash
9 were suspicious. One month prior to his death, Celotti transferred his corporate
10 holdings, including 45 percent of General Work's equity, to his wife Anna Maria
11 Moro. After Celotti's death, Gimmy Ricci, another Italian businessman, was
12 appointed as General Work's new general manager. In addition to acquiring
13 managerial control of General Work, Ricci worked with Moro to form several
14 additional legal entities and companies to serve as receptacles for General Work's
15 ill-gotten revenue. The remaining equity in General Work was acquired by
16 Nguema's family. According to the GdF, Nguema's family provided no
17 compensation to other shareholders in exchange for their shares.
18

19 After Celotti's death in 2007, the GdF conducted an extensive investigation
20 into General Work and Celotti's financial affairs. In connection with this
21 investigation, the GdF interviewed former employees and associates of General
22 Work, including Cistaro and Vona. In addition, they performed a search of Moro's
23 residence in the Friuli region of Italy. Cistaro and Vona informed the GdF that
24 Nguema's family fraudulently assumed control of General Work. Based upon
25 their investigation, including an analysis of Celotti's financial and banking records
26 obtained by the Gdf from Moro, Italian law enforcement authorities concluded that
27 Nguema and his father jointly owned, and controlled with Celotti's assistance a
28

1 network of international bank accounts that contained stolen millions of dollars in
2 government monies misappropriated from EG's treasury through General Work's
3 government construction contracts.

4 When Nguema was negotiating the purchase of the \$30 million defendant
5 Sweetwater Property, he sent and received faxes regarding this real estate
6 transaction from Celotti's office at General Work in EG. For instance, in or
7 around April 2, 2006, Nguema signed and faxed a copy of the Supplemental
8 Escrow Instructions, the Residential Lease After Sale, and the Addendum to the
9 Residential Lease After Sale—all pertaining to the purchase of the defendant
10 Sweetwater Property—to Nagler's office from a fax number in EG (00240)
11 084096. This EG fax number belonged to Celotti. Furthermore, in connection
12 with wiring funds from EG into the United States to support the maintenance and
13 upkeep of the Sweetwater Property, Michael Berger faxed a letter in or around
14 January 20, 2008, to Celotti's fax line in EG, stating, "Here is the information that
15 you need to wire transfer money to Unlimited Horizon, Inc., account at
16 Commercial Capital Bank." In this same letter, Berger detailed Unlimited
17 Horizon's bank account information, the address of Commercial Capital Bank in
18 Beverly Hills and the bank's telephone number and routing number.
19

20 Additional information responsive to this Interrogatory relating to the
21 relationship between Nguema and General Work may be ascertained from the
22 COMPLAINT and documents that have or will be produced by the Government,
23 including DOJ_0000303-308; DOJ_0000315-321; DOJ_0000413-416;
24 DOJ_0000417-421; DOJ_0000422-425; DOJ_0000426-430; DOJ_0000431-434;
25 DOJ_0000809-816; DOJ_00003853-3913; SENATE-PSI-86730; SENATE-PSI-
26 93976; SENATE-PSI-94046; SENATE-PSI-96238-96240.
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B. Nguema's Attempt to Misappropriate \$40 Million in Public Funds to Acquire a Gulfstream Jet

In 2004, two years before Nguema acquired the defendant Sweetwater Property, Nguema contacted Gulfstream Aerospace Corporation (GAC) and expressed interest in purchasing a \$40 million aircraft from GAC. Stephen Arnold Fuller, GAC's regional vice president for Sub-Saharan Africa, recalled that Nguema informed GAC that he intended to finance the purchase of this aircraft by diverting \$40 million in public funds from the EG Government through an American oil company.

Nguema told Mr. Fuller that he could and would pay for the \$40 million aircraft with public funds by having an "American oil company" initially pay GAC for the aircraft. EG would then, according to Nguema, "repay the American oil company through credits to the company's local account in EG." In a letter dated April 20, 2004, Fuller confirmed that Nguema was proposing to purchase from GAC a Gulfstream 550 with misappropriated public funds. Mr. Fuller stated in that letter:

[Nguema] is suggesting that [GAC] contact the Chairman of Ocean Energy in Houston, Texas with regard to the Gulfstream 550. There may be an advantage in assigning the Sales Agreement to Ocean Energy and having that company assume the payment obligations for the Gulfstream 550. In return, the Government [of EG] would issue a Credit Memorandum to Ocean Energy for amounts payable in connection with oil production.

Raymond Banoun, managing partner of Cadwalader, Wickersham & Taft, LLP, a New York-based law firm, served as an attorney for GAC in connection with this transaction. Like Mr. Fuller, Mr. Banoun recalled that in 2004, Nguema represented to GAC that he would misappropriate EG public funds by (i) having Ocean Energy, an American oil company, purchase the \$40 million aircraft and

1 “assume the payments on his behalf” and then (ii) “in return” have the “Equatorial
2 Guinea government [] issue a credit memo to Ocean Energy for monies connected
3 with oil production in Equatorial Guinea.”

4 Additional information responsive to this Interrogatory relating to Nguema’s
5 relationship and communications with GAC may be ascertained from the
6 COMPLAINT as well as documents that have or will be produced by the
7 Government, including DOJ_0000114-166; DOJ_0000388-393; SENATE-PSI-
8 119217-120245; SENATE-PSI-120318-120347; SENATE-PSI-124429-126128.

9 **C. Accusations of Direct Diversion of EG Public Funds**

10 In South Africa, George Ehlers, a South African businessman, filed a lawsuit
11 in the Cape Town High Court against the EG Government. In that litigation which
12 was filed in or around July 2005, less than one year prior to Nguema’s acquisition
13 of the Sweetwater Property, Ehlers alleged that the EG Government was in breach
14 of a \$7.8 million government infrastructure contract with his company,
15 Engineering Design and Construction Company. After the EG Government seized
16 some of his company’s assets in EG and refused to pay his company for its
17 services, Ehlers filed a lawsuit seeking to attach two homes valued at \$7 million
18 owned by Nguema in South Africa. The two homes were located at Erf 477
19 Clifton Ridge and Erf 303 Constantia in Cape Town. The funds used to purchase
20 these properties were wired into South Africa in 2004 from an account at CCEI
21 Bank in EG held in the name of Socage, an EG company owned by Nguema.

22 Ehlers alleged that because Nguema could not have afforded to purchase
23 these assets on his income as an EG public official, Nguema must have used funds
24 misappropriated from the EG Government to acquire and renovate these properties.
25 Indeed, even the contractors hired to renovate the property believed that these
26 assets were owned by the EG Government. In support of his lawsuit, Ehlers filed
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1 an affidavit executed by Patricia Fuller. Fuller recalled that she spoke with Peter
 2 McNamara, a contractor hired to renovate Nguema's property in Constantia.
 3 McNamara, according to Fuller, advised her that he had never heard of Nguema
 4 and that he was communicating with the EG Government about how to renovate
 5 the property. Furthermore, McNamara claimed that he was under the impression
 6 that the property belonged to the EG Government. McNamara submitted an
 7 invoice for in or around R 3,144,524 (approximately \$359,532) to Jacques Levy,
 8 an interior decorator in Switzerland, for his services relating to Nguema's house in
 9 Constantia. As McNamara had no knowledge of Nguema, and was receiving his
 10 instructions from the EG Government regarding the home's renovations, Ehlers
 11 alleged that the funds used to acquire and renovate these properties were
 12 misappropriated from the EG Government. Although Ehlers prevailed against
 13 Nguema before the trial court, an appellate court reversed that decision on other
 14 grounds.

15 Additional information responsive to this Interrogatory relating to Mr.
 16 Ehlers' lawsuit in South Africa may be ascertained from documents that have or
 17 will be produced by the Government, including DOJ_0000281-284;
 18 DOJ_0000464-469; DOJ_0001049-1080; DOJ_1652-1904; DOJ_0000890-893.
 19

20 **XII.**

21 **EXTORTION AND BRIBERY**

22 Beginning in the 1990s, Nguema, as described in the COMPLAINT,
 23 received and demanded that companies in E.G provide him with money or property
 24 in order to be able to maintain and operate their businesses. Nguema abused his
 25 authority and influence within the EG Government both as a member of the cabinet
 26 and President Obiang's eldest son to make these demands and to retaliate against
 27 those who refused to acquiesce.
 28

A. Extortion and Solicitation of Bribes from Forestry Companies

In 1998, at the age of 29, Nguema was appointed by his father to serve as EG's first-ever Minister of Forestry and Agriculture. Timber is EG's second largest and most valuable export commodity. Nguema's Forestry Ministry (Ministry) controls timber harvesting operations in EG. The Ministry also controls timber exports. In order to export timber from EG, Nguema requires that timber companies obtain an export authorization document that is personally signed by him. Timber companies incur expenses of up to \$5,000 per day if Nguema delays in signing these requests.

1. Extortion Payments and Bribes from Forestry Companies

Foreign timber executives claim that their companies were routinely required to pay bribes to Nguema in order to do business in EG. Foreign Policy Magazine quoted one timber executive as stating, "[Nguema] would call emergency meetings of all the logging company heads in which he would announce some new tax on logging operations." According to this executive, Nguema charged timber companies an extra so-called "tax" that they were forced to pay him personally for wood harvested in EG. Nguema purportedly charged timber companies directly per cubic meter of timber harvested by that company.

A French timber executive, identified as "Jean Michel" in this same Foreign Policy Magazine article, reported that Nguema seized the French logging company he worked for in EG. It was impossible, according to Jean Michel, for timber companies to do business in EG without paying bribes to Nguema. Although Jean Michel's company initially paid Nguema the bribes that he demanded, the EG military shut down this company's operations and expelled its personnel from EG after it refused to make any further bribe payments to Nguema.

1 Independent NGOs have also reported that Nguema extorts payments and
2 solicits bribes from timber companies in EG. For instance, a former United States
3 intelligence official, who was familiar with EG, reported to Global Witness, that
4 Nguema solicits and accepts bribes from Malaysian, North Korean and Chinese
5 timber companies. According to this intelligence official, "There were Malaysian,
6 North Korean, and Chinese logging camps on the mainland [of EG], and [Nguema]
7 collected cash from them . . . for logging operations, much of it involving valuable
8 hardwood."

9 While Nguema solicits and collects bribes from foreign timber companies,
10 he also permits these same companies to violate EG's forestry laws and
11 regulations. Indeed, according to representatives of the Environmental
12 Investigation Agency (EIA), an environmental NGO, corruption is pervasive in
13 EG's forestry sector and some foreign timber companies, including Shimmer
14 International of Malaysia (Shimmer), are permitted illegally to harvest timber in
15 EG's protected forests reserves.

16 Several independent NGOs, including Forest Monitor, Green Peace and the
17 World Rain Forest Movement, confirmed that Nguema does not enforce EG's
18 forestry laws on some foreign timber companies, including Shimmer. For
19 instance, Shimmer engages in illegal logging in protected national forests in EG,
20 including Monte Alen, even though these forest reserves are protected from
21 industrial logging under EG's Forestry Law. Greenpeace reported that in 2004,
22 "Enforcement of legal requirements is virtually non-existent in commercial
23 logging" in EG. Similarly, Forests Monitor, a U.K. NGO, concluded in 2001 that,
24 "[i]n practice, enforcement of all the various legal requirements [in EG's forestry
25 sector] is virtually non-existent."
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1 Likewise, while Nguema held the position of Forestry Minister, some timber
2 companies were permitted to overcut EG's forests. Although EG's Forestry Law
3 places limits on how much timber can be harvested by concessionaires and
4 requires these entities to process 60 percent of their timber in EG, many timber
5 companies, including Shimmer, were operating in violation of these rules.
6 According to a United States Forest Service ranger, who visited EG between July
7 31, 2004, and August 15, 2004, "[i]t is clear that in some areas that [EG] forests
8 [were] being overcut." Similarly, EIA representatives confirmed that Shimmer, the
9 dominant timber company in EG, was permitted to illegally export the bulk of its
10 raw timber to China without processing it domestically.

11 Additional information responsive to this Interrogatory relating to Nguema's
12 control of EG's forestry sector and his solicitation of bribes and extortion
13 payments from timber companies may be ascertained from the COMPLAINT and
14 documents that have or will be produced by the Government, including
15 DOJ_0000408-412; DOJ_0001049-1080; DOJ_0000842-863; DOJ_0000614-615;
16 DOJ_975-1048; DOJ_758-777; DOJ_778-789.

17 **2. Nguema's Relationship with Shimmer International**

18 Nguema reportedly maintains a close working relationship with Shimmer
19 that benefits him personally. While Nguema was its head, EG's Forestry Ministry
20 awarded Shimmer substantial forestry concessions. Shimmer was the largest and
21 most dominant forestry company in EG. Indeed, in 2006, the same year that
22 Nguema purchased the Sweetwater Property, Shimmer was responsible for more
23 than 66 percent of the timber harvested in that country. According to a former
24 U.S. intelligence official who spoke with Global Witness, Nguema solicited and
25 collected bribes from Shimmer in EG.
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1 Nguema confirmed to U.S. diplomats at the Embassy in 2009 that he
2 permitted a Malaysian company to deploy 40 teams of well-equipped lumberjacks
3 to “clear cut” a “large tract of pristine continental jungle” that was “granted” to
4 him by the EG Government. Nguema then purportedly earned a “large windfall”
5 by exporting this raw timber to Asia. It is illegal under EG’s Forestry law to
6 permit this type of “clear cutt[ing].” EG law also requires timber concessionaires,
7 like Nguema, to process domestically a minimum of 60 percent of the raw timber
8 they harvest from their concessions. Nguema, however, exported his raw timber as
9 “whole logs” to Asia. Although it was Nguema’s responsibility as EG’s Forestry
10 Minister to enforce these laws, Nguema explained to U.S. diplomats that this
11 illegal “windfall” was the source of his personal wealth.

12 Additional information responsive to this Interrogatory relating to Nguema’s
13 relationship with timber companies, including Shimmer, may be ascertained from
14 the COMPLAINT as well as documents that have or will be produced by the
15 Government, including DOJ_0000408-412; DOJ_0001049-1080; DOJ_975-1048;
16 DOJ_778-789.

17
18 **B. British Hotel Company**

19 In or around 2003, a British company sought permission to build a Sheraton
20 hotel in Malabo, EG’s capital city located on Bioko Island. According to Simon
21 Kareri, a Riggs Bank vice president, Nguema refused to permit the British
22 company to build the Malabo hotel unless its executives agreed to provide him
23 with 55 percent of the hotel’s equity. When the British company refused, their
24 hotel project was not allowed to go forward. Nguema purportedly accompanied
25 representatives of this British company to Nguema’s Los Angeles home to engage
26 in negotiations about this hotel.
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1 Additional information responsive to this Interrogatory relating to this
2 British company may be ascertained from documents that have or will be produced
3 by the Government, including DOJ_000080-87.

4 **C. G.E. Petrol**

5 G. E. Petrol is EG's state-owned oil company. According to Kareri, when
6 he was employed at Riggs prior to 2005, G.E. Petrol was still "run by the First
7 Family" of EG and Nguema was the company's "*patron*." In Spanish, which is
8 one of EG's official languages, the word "*patron*" means "master" or "boss."
9 Even though Nguema "flunked high school and does not know how to do
10 anything," according to Kareri, Nguema controlled G.E. Petrol as its "*patron*".
11 Kareri stated that "the big money from the [foreign] oil companies is being paid to
12 the First Family through joint venture projects in EG" and that corrupt payments
13 were disbursed by G.E. Petrol to "so-called oil brokers" controlled by Nguema's
14 family. These brokers, according to Kareri, make further profits for Nguema's
15 family by purchasing oil from G.E. Petrol at discounted rates.

16 According to Kareri, Nguema's family "may be skimming money from the
17 sale of [EG's] share of oil produced by the oil companies in EG." Nguema,
18 according to Kareri, often made remarks to him suggesting that he is GE Petrol's
19 "*patron*." On one occasion, Kareri recalled that G.E. Petrol requested that he
20 divert directly a certain percentage of EG's oil revenue to an account controlled by
21 G.E. Petrol. Kareri refused.

22 Similarly, as explained above at Section XI(B), Nguema represented to GAC
23 that he possessed both the ability and the intent to misappropriate public funds
24 from the EG treasury relating to oil production. Specifically, he claimed that he
25 could provide an American oil money with a \$38.5 million "credit memorandum"
26 derived from public funds to acquire a personal asset for himself.
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1 Kareri and Nguema purportedly had a close business and personal
2 relationship. Nguema consulted Kareri frequently about both financial and
3 personal issues, including “personal problems” Nguema had with his father.
4 Kareri commented to his wife, that it was unfortunate that Nguema was “blowing”
5 the money from EG.

6 Additional information responsive to this Interrogatory relating to G.E.
7 Petrol may be ascertained from documents that have or will be produced by the
8 Government, including DOJ_000038-94 and DOJ_0000241-244.

9 **D. Foreign Oil Companies**

10 Walter International (Walter) was a Houston-based oil company operating in
11 EG. In 1991, Nguema enrolled at Pepperdine University’s English language
12 program in Malibu, California. According to Ambassador John Bennett, a former
13 United States Ambassador to EG during the early 1990s, Nguema’s Pepperdine
14 tuition and expenses were fully paid for by Walter. Elisa Wax, a Pepperdine
15 employee, recalled that Pepperdine received a “steady stream of phone calls from
16 the Beverly Wilshire [Hotel] and shops in Beverly Hills trying to track down
17 [Nguema] to settle outstanding bills.” Wax would direct these calls to Walter
18 International. Ambassador Bennett recalled that Nguema incurred, and Walter
19 paid, \$50,000 in expenses while attending Pepperdine in California.
20

21 In November 2009, Global Witness reported that Nguema received corrupt
22 payments from Elf-Acquitaine, a French oil and gas company. In 2004, thirty
23 senior executives of Elf Acquitaine were charged and convicted in France of
24 distributing bribes and kickbacks in Africa over a period of several decades.

25 A confidential source (“CI 3”), who spoke with federal agents in Miami,
26 Florida, also confirmed that it was his/her belief that Nguema controls the oil
27 industry in EG and that he derives his wealth from illegal activities in EG,
28

1 including the distribution of counterfeit cigarettes, diamond smuggling and
2 monetary kickbacks in the form of contracts from United States oil companies
3 operating in EG.

4 Another confidential source (CI 2), who spoke with federal agents and was a
5 former employee of Nguema in Los Angeles in or around 2006, the same year that
6 Nguema acquired the Sweetwater Property, recalled that Nguema told him/her that
7 the source of his wealth was related to EG's oil resources. CI 2 was an employee
8 of Nguema who worked at the defendant Sweetwater Property. Even though
9 Nguema holds no official position within the EG Government related to the oil
10 industry, CI 2 recalls seeing three "oil officials" meet with Nguema at the
11 Sweetwater Property during the second week of November 2006.

12 Additional information responsive to this Interrogatory relating to Nguema's
13 relationship with the oil and gas industry may be ascertained from documents that
14 have or will be produced by the Government, including DOJ_0000114-0000166;
15 DOJ_0000241-244; DOJ_0000265-268; DOJ_0000388-393; DOJ_0000394-398;
16 DOJ_0000842-863; DOJ_0001049-1080; SENATE-PSI-119217-120245;
17 SENATE-PSI-120318-120347; SENATE-PSI-124429-126128.
18

19 **E. Michael Chevaly**

20 An individual named Michael Chevaly allegedly smuggles various
21 fraudulently manufactured consumer goods into Cameroon, Nigeria, Benin, Niger,
22 Chad, Sierra Leone, Liberia, Guinea-Conakry and Gabon. In so doing, Chevaly
23 purportedly uses routes through EG, Niger and Benin to smuggle this merchandise.
24 CI 3 informed federal agents that Nguema possesses a business relationship with
25 Chevaly relating to this illegal conduct. Additional information responsive to this
26 Interrogatory relating to the relationship between Nguema and Chevaly may be
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ascertained from documents that have or will be produced by the Government, including DOJ_0000246-251.

XIII.

NGUEMA'S FRAUD AGAINST U.S. BANKS

Between 2004 and 2008, Nguema, as described in the COMPLAINT, orchestrated, participated in and implemented a scheme fraudulently to open and use bank accounts at six financial institutions in California in order to surreptitiously funnel millions of dollars into the United States from EG, while concealing his association with the accounts, the source of funds, and his status as an EG cabinet minister and son of the President. During this period, Nguema fraudulently opened at least ten bank accounts at six financial institutions in California, including Bank of America (BOA), Union Bank of California (UBOC), Commercial Capital Bank, California National Bank (CNB), Comerica Bank, and Citibank.

Beginning in 2004, after the PSI published its report on money laundering on July 15, 2004, Nguema was on notice that banks in the United States were uncomfortable opening bank accounts for him. The PSI's 2004 money laundering report criticized Riggs for its handling of Nguema's family's funds, including those of Nguema. Further, Riggs was ultimately convicted and ordered to pay a criminal fine of \$16 million, as well as \$25 million in civil penalties, for its non-compliance with U.S. anti-money laundering controls.

Just two weeks after the PSI's report was published, City National Bank in Los Angeles was contacted by Nguema after the bank had closed his personal bank account. When he called the bank on July 30, 2004, Nguema told a bank employee that he thought his account had been closed "due to [his] country and the oil." In addition to closing his accounts, City National Bank refused to return \$699,691.02

1 of Nguema's funds to him and requested that the California Superior Court for the
2 County of Los Angeles allow the bank to release these funds to the court, rather
3 than Nguema, for ultimate resolution.

4 Beginning in 2004, Nguema, Michael J. Berger and George Nagler opened
5 bank accounts in California in the names of various shell companies, including
6 Sweet Pink, Inc., Unlimited Horizon, Inc., Beautiful Vision, Inc., and Sweetwater
7 Management, LLC, without disclosing Nguema's ownership of the companies or
8 their funds and concealing his status as a Senior Foreign Public Figure (SFP) and a
9 Politically-Exposed Person (PEP). Nguema and his intermediaries, including
10 Berger and Nagler, then transferred funds received from Nguema into these
11 fraudulently opened bank accounts in the United States. In opening numerous
12 California bank accounts and using intermediaries' accounts, Nguema, Berger and
13 Nagler intentionally and deliberately concealed from these financial institutions
14 Nguema's association with these bank accounts as well as his status as a SFP and a
15 PEP.

16 Nguema used many of the funds in these fraudulently opened accounts for
17 the maintenance and upkeep of the defendant Sweetwater Property, a \$30 million
18 mansion he purchased in Malibu in 2006. Funds were used to pay for, among
19 other things, the salaries of Nguema's household staff. These staff persons worked
20 at the Sweetwater Property and aided Nguema, at his direction, in executing this
21 fraudulent scheme. These funds were also used to maintain an office at the
22 Sweetwater Property for Nguema and his employees and associates to perpetuate
23 and oversee this scheme; the professional and administrative services of various
24 lawyers, accountants, and property managers, including Berger and Nagler; costs
25 incurred by Nguema's household staff relating to this scheme; and the costs and
26 fees of the Sweetwater Property, where Nguema and his household staff
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1 maintained their business office for their shell companies and where much of the
2 conduct described at paragraphs 117-209 of the COMPLAINT were planned,
3 coordinated, and occurred.

4 Nguema repeatedly concealed from banks in California his ownership of the
5 funds in these accounts by using shell companies formed to hide his identity and
6 by using various third-party nominees, including Michael Berger and George
7 Nagler, who both allowed Nguema to use their client trust accounts to pay for
8 personal expenses. After each of these banks discovered Nguema's association
9 with the accounts, the banks closed each account.

10 **Bank of America.** On or about October 12, 2004, Nguema fraudulently
11 opened two accounts in the name of Beautiful Vision, a California company. No
12 banker looking at the documents and information provided to Bank of America
13 (BOA) by Berger and Nguema could have identified Nguema as being the owner
14 of Beautiful Vision, nor could they have readily identified the account as one
15 affiliated with a SFP and/or a PEP. BOA closed the Beautiful Vision accounts in
16 or around September 12, 2005, and September 15, 2005, respectively, after
17 discovering that Nguema, a SFP and a PEP, was associated with Beautiful Vision,
18 Inc.
19

20 **Union Bank of California.** On or about September 15, 2005, three days
21 after BOA closed Nguema's Beautiful Vision account, Nagler formed Sweet Pink,
22 Inc. for Nguema. On or about September 29, 2005, UBOC opened a checking
23 account for Sweet Pink using an EIN obtained by Nagler's assistant. The
24 signatories on the account were Eve Jeffers, Nguema's then-girlfriend, and four
25 employees of an accounting firm owned by Marvin Freedman that had been
26 retained by Nguema. On the bank account opening documents, Marvin
27 Freedman's business address is listed as Sweet Pink's address. No banker looking
28

1 at the documents and information provided by Nagler could have identified
2 Nguema, as being the owner of Sweet Pink, nor could they have identified the
3 account as one affiliated with an SFP and a PEP. Approximately eight days later,
4 on or about October 27, 2005, UBOC discovered that Nguema was using the Sweet
5 Pink account to gain access to the U.S. banking system and closed Sweet Pink's
6 account. This was the third time in less than fifteen months that a California bank
7 closed an account after learning of Nguema's association with the account.

8 **Commercial Capital Bank.** On or about December 7, 2005, less than two
9 months after UBOC closed Nguema's Sweet Pink account, Berger opened an
10 account at Commercial Capital Bank in the name of Unlimited Horizon, Inc.
11 Berger caused Unlimited Horizon to be incorporated in California on October 21,
12 2005. No banker looking at the documents and information provided by Berger
13 and Nguema could have identified Nguema as being the owner of Unlimited
14 Horizon, nor could they have identified the account as one affiliated with an SFP
15 and a PEP. On or about June 22, 2006, Commercial Capital Bank closed
16 Unlimited Horizon's account. This was the fifth account in less than two years
17 closed by a California bank after discovering its association with Nguema.

18 **California National Bank.** On or about May 16, 2006, after Nguema had
19 acquired the Sweetwater Property in April 2006, Nagler formed another company
20 for Nguema called Sweetwater Management, Inc. Sweetwater Management was
21 purportedly formed to employ and to pay individuals working to maintain the
22 Sweetwater Property. In or around May 30, 2006, Edward Mizrahi, Nguema's
23 estate manager, opened an account at this bank in the name of "American Equity
24 Properties, DBA: American Property MGMT ITF: Sweet Water Malibu" ("AEP
25 Account"). The estate manager concealed Nguema's involvement with the account
26 as well as Nguema's status as a SFP and a PEP. He identified the owner of
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1 Sweetwater Malibu, LLC as a “high profile” person who wanted to remain
2 confidential. The following day, on or about May 31, 2006, Nguema’s personal
3 assistant Melinda DeHaven opened three additional business accounts at CNB in
4 the name of Sweetwater Management, Inc. On or about June 22, 2006, the bank
5 closed all four accounts after learning that these accounts were associated with
6 Nguema.

7 **Union Bank of California.** On or about August 28, 2006, two months after
8 Unlimited Horizon’s account at Commercial Capital Bank was closed and
9 Nguema’s four accounts at CNB were closed, Berger opened two Basic Business
10 Checking Accounts in the name of Unlimited Horizon, Inc. at a UBOC branch in
11 Beverly Hills. Berger identified himself to UBOC as Unlimited Horizon’s
12 president, and was the sole signatory on both UBOC accounts. Berger again
13 concealed material information from UBOC, including Nguema’s association with
14 Unlimited Horizon, as well as Nguema’s status as a SFP and a PEP. No banker
15 looking at the documents and information provided to UBOC by Nguema and
16 Berger, could have identified Nguema as being the owner of these accounts, nor
17 could they have identified the account as one affiliated with an SFP and a PEP.
18 After opening these accounts, Berger explained to Nguema in an email dated on or
19 about November 1, 2006, that future wires should be sent “to my new client trust
20 account at [UBOC]. I will transfer it from there to the Unlimited Horizon, Inc.
21 General Account. I will send you a separate e-mail and fax requesting a \$200,000
22 wire transfer and providing wire transfer information for this new account.” Upon
23 receiving these wires in his client trust accounts, Berger withdrew these funds and
24 deposited them into Unlimited Horizon’s UBOC accounts in the form of checks
25 and bank drafts. Between November 29, 2006 and May 11, 2007, Berger
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1 deposited seven checks totaling \$1,399,485 into Unlimited Horizon's UBOC
2 accounts, after withdrawing these funds as "cash" from his client trust account.
3 On or about June 12, 2007, after an investigation by UBOC discovered that Berger
4 represented Nguema, an SFP and a PEP, and that Berger was using corporate
5 vehicles to "disguise the identity of" Nguema to pay for the Sweetwater property
6 and Nguema's living expenses, UBOC closed all three accounts.

7 **Comerica Bank.** On or about February 6, 2007 -- eight months after CNB
8 closed Nguema's four accounts -- Nguema applied to open a bank account at
9 Comerica Bank on the Avenue of the Stars in Los Angeles. On this occasion,
10 Nguema directed his representative Anne Morse to open an account in his name
11 and to identify himself as an EG citizen to the bank, but he nonetheless concealed
12 from Comerica the fact that he was a PEP and an SFP. When asked explicitly
13 whether Nguema "ever performed important public functions for a foreign state
14 (PEP)?" Nguema's representative answered in the negative. When asked whether
15 Nguema was "closely associated with person(s) who perform public functions for a
16 foreign state (PEP)?" the representative again answered in the negative. On or
17 about March 22, 2007, Comerica closed this account after the bank's compliance
18 personnel discovered that Nguema, in fact, was a PEP and an SFP.
19

20 **Citibank.** On or about June 25, 2007, approximately thirteen days after
21 UBOC closed Nguema's accounts, Berger opened another account in the name of
22 Unlimited Horizon at a Citibank branch in Beverly Hills. During the account-
23 opening process, Berger deliberately hid Nguema's ownership of the account by
24 telling a Citibank banker that the true owners of the Citibank account were U.S.
25 citizens, when, in fact, Nguema a non-U.S. citizen PEP and a SFP was the
26 account's true owner.
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Over the course of the next five months, Nguema transferred over \$1 million directly from EG into Berger's client trust account. Berger, in turn, transferred these funds into Unlimited Horizon's Citibank account. In an email dated on or about December 7, 2007, Berger confirmed with Nguema, "I know that all payments [from the Citibank account] must be approved by you . . . I understand the importance of the principle. This e-mail will reconfirm that I will only pay bills approved by you." On or about May 20, 2008, after uncovering Nguema's association with Unlimited Horizon and this account, Citibank closed Unlimited Horizon's account.

Additional information responsive to this Interrogatory and the Government's allegations of domestic bank fraud may be ascertained from the COMPLAINT, as well as documents that have or will be produced by the Government, including DOJ_0000212-217; DOJ_0000227-236; DOJ_0000252-257; DOJ_0000258-260; DOJ_0000261-264; DOJ_0000285-288; DOJ_0000289-296; SENATE-PSI-000070636-70717; SENATE-PSI-000072041-73108; SENATE-PSI-73109-100926; SENATE-PSI-0000100927-100999; DOJ_0000101000-101513; SENATE-PSI-0000101514-107289; SENATE-PSI-SENATE-PSI-110261-110308; SENATE-PSI-0000120246-249; SENATE-PSI-000120250-120265; SENATE-PSI-120374-122836; SENATE-PSI-124429-126128.

Proceeds of Bank Fraud Used for Maintenance and Upkeep of the Sweetwater

Property: The funds deposited and funneled through Nguema's fraudulently opened bank accounts were used to, among other things, pay for the maintenance and upkeep of the defendant Sweetwater Property. In disbursing funds from these fraudulently opened bank accounts, Nguema specifically ordered and/or approved the disbursement of funds to various vendors and payees relating to the maintenance

1 and upkeep of the Sweetwater Property. Indeed, Berger was not permitted to
2 disburse any funds belonging to Nguema in these accounts unless he first received
3 a check approval form that was signed personally by Nguema.

4 Nguema used the funds in his Unlimited Horizon account at UBOC to
5 support, maintain and enhance the Sweetwater Property, including, among other
6 things, paying in or around \$54,000 per month for home security services; \$10,000
7 per month in electricity bills; \$8,000 per month in phone bills; \$73,649.95 in
8 property taxes; \$6,875 for the installation of a sauna; more than \$10,000 for home
9 theater equipment; more than \$4,000 for home insurance; more than \$12,000 in
10 landscaping fees; more than \$36,000 in tree care-related fees; and more than
11 \$30,000 per month in payroll for his household staff, including estate managers,
12 maintenance crews, and housekeepers.

13 Similarly, Nguema's fraudulently opened Citibank account held in the name
14 of Unlimited Horizon was also used for the maintenance and upkeep of the
15 Sweetwater Property. Specifically, these funds were used to pay for expenses,
16 including, among other things, approximately \$54,000 per month on the home's
17 security detail, over \$9,000 per month on the power bill to Southern California
18 Edison, over \$5,000 per month on the home's water bill to Los Angeles County
19 Waterworks, \$37,000 on landscaping costs, \$3,773 on maintenance for the home's
20 fish tank, \$24,700 on outdoor landscape lighting, \$7,577 for the "Fish Physician"
21 in connection with the home's Koi pond, \$9,600 on audio-video equipment, \$1,304
22 for swimming pool maintenance, and thousands of dollars for home furniture and
23 decorations.
24

25 Additional information responsive to this Interrogatory may be ascertained
26 from the COMPLAINT, as well as documents that have or will be produced by the
27 Government, including DOJ_0000212-217; DOJ_0000227-236; DOJ_0000252-
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257; DOJ_0000258-260; DOJ_0000261-264; DOJ_0000285-288; DOJ_0000289-
 296; DOJ_0000470-476; SENATE-PSI-000070636-70717; SENATE-PSI-
 000072041-73108; SENATE-PSI-73109-100926; SENATE-PSI-0000100927-
 100999; DOJ_0000101000-101513; SENATE-PSI-0000101514-107289;
 SENATE-PSI-SENATE-PSI-110261-110308; SENATE-PSI-0000120246-249;
 SENATE-PSI-0000250-120265; SENATE-PSI-120374-122836; SENATE-PSI-
 124429-126128.

XIV. EVIDENCE OF CURRENCY REPORTING VIOLATIONS

Several former employees of Nguema reported that Nguema and/or his
 employees carried a bag “stuffed with stacks of fresh \$100 bills” when he travelled
 in and out of the United States. A confidential source (CS 1), who was a former
 employee of Nguema in California, reported that two EG nationals employed by
 Nguema—Emmanuel Asamoah and Charles Annan—were responsible for carrying
 a Louis Vitton briefcase. This brief case, according to CS 1, is brought into the
 United States with Nguema and is filled with approximately \$500,000 to pay for
 Nguema’s bills and personal expenses. Another confidential source (CS 2), who
 was also a former employee of Nguema in California, recalled that two EG
 nationals Joseph Otbo and Moses Hilorsi were responsible for carrying a suitcase
 for Nguema that contained approximately \$1 million in cash. Nguema does not
 report this currency when he enters the United States, as is required by 31 U.S.C. §
 5316. Additional information relating to Nguema’s transportation of bulk cash into
 and out of the United States is available in documents produced by the Government,
 including but not limited to DOJ_0000178-182; DOJ_0000183-188; DOJ_0000842-
 863.

XV.
EG GOVERNMENT IS INTERNATIONALLY
RECOGNIZED AS A KLEPTOCRACY,
BENEFITTING NGUEMA'S FAMILY AND ASSOCIATES

As described in the COMPLAINT, EG's Government, President Obiang's Inner Circle and Nguema in particular have been criticized widely by the United States and foreign governments, multilateral organizations, independent non-governmental organizations (NGOs), and the international media as being among the most corrupt and repressive governments in the world.

A. United States Government Officials and Reports Identify Nguema as Part of an EG Government Marked by Widespread, Senior-Level Corruption

Between 1998 and 2011, the United States Department of State has published official reports repeatedly identifying senior-level public corruption as pervasive within President Obiang's administration. In a United States Embassy cable drafted by Anton Smith in 2009, Smith confirmed that most EG cabinet ministers:

continue to moonlight and conduct businesses that often conflate their public and private interests. . . The custom of simultaneously maintaining both official and private activities that became entrenched in the era of skinny cows has not been altered for the fat ones. There is public grumbling but little internal pressure to change the rules. Nonetheless, occasionally lines do get crossed.

In that report, Smith specifically identified Nguema and his mother Constancia Obiang as direct beneficiaries of this type of corruption.

U.S. Ambassadors and officials who have lived in and worked in EG also report that corruption within Nguema's father's government benefits senior public officials, like Nguema. Former United States ambassadors to EG recall that public corruption is widespread within President Obiang's government and that it

1 frequently utilizes torture and other instruments of political repression to maintain
2 political dominance in EG. Frank Ruddy, a former United States ambassador to
3 EG during the Reagan administration, told the Los Angeles Times that,
4 “[President] Obiang is a thief and he heads a government of thieves.” In addition
5 to serving as ambassador to EG, Ruddy served formerly as general counsel of the
6 United States Department of Energy and an assistant administrator of the United
7 States Agency for International Development. Similarly, Ambassador Bennett
8 described Equatorial Guinea as “the world’s finest example of a country privatized
9 by a kleptomaniac without a scintilla of social consciousness.” Ambassador
10 Bennett, who served as ambassador to EG between 1991 and 1994, was a career
11 foreign service officer, who served formerly as a senior official at United States
12 diplomatic missions in Mexico, Nigeria, Germany and Spain.

13 The State Department’s annual human rights reports on EG, which are
14 published by the Bureau of Democracy, Human Rights and Labor online at
15 <http://www.state.gov/j/drl/rls/hrrpt>, has commented repeatedly that public
16 corruption, as well as the use of torture, is widespread within the EG Government.
17 For instance, in 2006, the same year that Nguema acquired the \$30 million
18 Sweetwater Property, the State Department concluded that “All branches of
19 government [in EG] are dominated by President [Obiang] and his inner circle” and
20 that “[o]fficial corruption in all branches of the government remained a serious
21 problem.” In 2008, the State Department described how anti-corruption laws were
22 not enforced in EG against public officials and that “[EG] officials frequently
23 engaged in corrupt practices with impunity.” In 2009, the State Department
24 confirmed that “[President Obiang] and members of his inner circle continued to
25 amass huge personal profits from the oil windfall” and that EG public officials
26 continued to “frequently engage[] in corrupt practices with impunity.”
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1 **B. Nguema and His Family Are the Subject of Multiple Criminal**
 2 **Investigations for Corruption in Europe**

3 Nguema and his family members were the subject of criminal corruption and
 4 money laundering investigations in France, Spain and Italy. Nguema's conduct
 5 and the source of his wealth are directly implicated in the French and Italian
 6 investigations. All three criminal investigations commenced between 2007 and
 7 2008, within one or two years of Nguema's acquisition of the Sweetwater
 8 Property, and remained active as of April 28, 2011.

9 **1. France**

10 In March 2007, three French NGOs—Sherpa, Serpie, and the Federation of
 11 the Congolese Diaspora—filed a complaint with French prosecutors, alleging that
 12 Nguema's family acquired substantial assets with stolen public monies. On July 9,
 13 2008, Transparency International France, a French NGO, filed a complaint with
 14 French prosecutors requesting that they investigate whether Nguema's family used
 15 stolen public monies from EG to acquire assets in France.

16 Judges Roger Le Loire and Rene Grouman were then appointed to
 17 investigate these allegations. In 2009, the French media reported that Judges Le
 18 Loire and Grouman had identified and were investigating Nguema's acquisition of
 19 several assets in France, including his luxury residence on Avenue Foch in Paris
 20 and several valuable automobiles worth a total of \$6.2 million. France's anti-
 21 money laundering agency, Tracfin, concluded, according to a report by Global
 22 Witness, a U.K. NGO, that the funds used by Nguema to acquire these
 23 automobiles, including two Bugatti luxury vehicles, were "likely to be the
 24 laundered proceeds of misappropriated public funds." United States law
 25 enforcement authorities met with the French Judicial Police in September 2007 to
 26 discuss the French investigation. Since that time, United States law enforcement
 27
 28

1 authorities have continued to have communications with French law enforcement
2 authorities regarding their investigation, including on March 19, 2011, when an
3 ICE representative met with the head of the French National Police's money
4 laundering unit. France's criminal investigation of Nguema remains active.

5 **2. Spain**

6 In December 2008, Asociacion Pro Derechos Humanos de Espana
7 (APDHE), a Spanish human rights NGO, filed a complaint with anti-corruption
8 prosecutors in Spain. The complaint alleges that EG's Inner Circle diverted and
9 misappropriated public funds from the EG Government to acquire personal assets
10 in Spain. According to this complaint, Nguema's family illegally embezzled
11 approximately \$26 million from an EG state agency to acquire and maintain
12 substantial real estate holdings in Spain. These funds were purportedly laundered
13 through various American and Spanish banks. Additionally, according to APDHE,
14 Nguema's family abused their political power within EG to (i) obtain direct equity
15 holdings in the enterprises of foreign companies for little or no consideration; (ii)
16 rig public procurement, construction, and licensing contracts tainted by conflicts of
17 interest; (iii) receive off-the-books secret contributions from foreign companies for
18 scholarships and educational purposes; (iv) benefit companies that they own in
19 providing goods and services to companies active in EG's hydrocarbon extraction
20 activities; and (v) divert directly millions of dollars from EG Government accounts
21 into their private accounts through the use of offshore shell corporations. As a
22 result of this complaint, Spanish prosecutors opened a criminal investigation into
23 APDHE's allegations against Nguema's family. This criminal investigation of
24 Nguema's family remains active.
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1 **C. Recognition of Severe Official Corruption in EG Government by**
 2 **Multilateral Public Organizations**

3 Multilateral public organizations, including the World Bank, whose
 4 personnel are posted in EG, and the African Development Bank, have also noted
 5 that official corruption is a serious problem within the EG Government. For
 6 instance, when the World Bank Institute graded corruption on a scale of 0.0 (being
 7 the most severe) to 1.0 (being the least corrupt), the World Bank noted that several
 8 organizations ranked EG as being amongst the most corrupt states in the world.
 9 The Economist Intelligence Unit, for instance, gave EG zero points on the World
 10 Bank's corruption scale for the years 1996, 1998, 2000, and 2002 through 2011.
 11 The African Development Bank gave EG 0.2 points for the years 2005 through
 12 2010. The International Fund for Agricultural Development gave EG 0.2 points
 13 for 2004 and 0.4 points for 2010 and 2011. The World Meteorological
 14 Organization gave EG 0.13 points for the years 1996, 1998, 2000, 2002, 2003 and
 15 2005; 0.21 points for 2004; and 0.25 points for the years 2006 through 2011.
 16

17 Similarly, the United Nations Special Rapporteur on the Right to Freedom of
 18 Opinion and Expression reported to the United Nations General Assembly in 2009
 19 that "[t]he scourge of corruption and the overwhelming lack of morality affecting
 20 [public] officials" in EG impacted negatively the civil and political liberties of the
 21 EG people.

22 **D. Independent NGOs Have Investigated and Confirmed Senior-Level**
 23 **Corruption in EG Government**

24 Independent NGOs that have investigated public finance in EG have
 25 universally concluded that public corruption is widespread within EG's
 26 Government. Transparency International (TI), an international NGO focusing
 27 specifically on corruption, ranked EG as the eighth most corrupt country in the
 28

1 world. Several other independent NGOs have also investigated and concluded that
2 public corruption is both widespread and pervasive amongst EG's Inner Circle,
3 including Nguema.

- 4 • Human Rights Watch in 2009 explained that, "Perhaps the most
5 brazen and troubling examples of corruption [in EG] are repeated
6 instances involving the president's eldest son, [Nguema], whose
7 globetrotting and extravagant lifestyle is filled with purchases of
8 multimillion-dollar houses and exotic sports cars throughout the
9 world."
- 10 • Global Witness reported in 2009 that "When it comes to profligate
11 public consumption by the Obiang clan, [Nguema] . . . is Exhibit A."
- 12 • The Open Society Institute in 2010 concluded that, "By controlling
13 [EG's] political, economic, and legal systems—and using that control
14 to enrich themselves—the Nguema/Mongomo group has created a
15 nearly perfect kleptocracy [in EG]. Rarely have so few stolen so
16 much so brazenly."
- 17 • The International Bar Association in 2003 noted that "serious
18 concerns were raised to [their delegation to EG] about the levels of
19 corruption which is seemingly endemic in all sectors of [EG] society
20 [] particularly with respect to the money from oil revenues."
- 21 • Freedom House confirmed that "Equatorial Guinea is considered one
22 of the most corrupt countries in the world and [President] Obiang and
23 members of his inner circle continue to amass huge personal profits
24 from the country's oil windfall."
- 25

26 Additional information responsive to this Interrogatory relating to EG's
27 international reputation for corruption may be ascertained from the COMPLAINT
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as well as documents that have or will be produced by the Government, including
 DOJ_0000209-211; DOJ_0000273-277; DOJ_0000303-308; DOJ_0000315-321;
 DOJ_0000394-398; DOJ_0000399-402; DOJ_0000413-416; DOJ_0000417-421;
 DOJ_0000422-425; DOJ_0000426-430; DOJ_0000431-434; DOJ_0000440-442;
 DOJ_0000447-449; DOJ_0000450-453; DOJ_490-520; DOJ_521-556;
 DOJ_000584-592; DOJ_644-650; DOJ_688-718; DOJ_719-729; DOJ_790-808;
 DOJ_817-828; DOJ_0000838-863; DOJ_0000890-893; DOJ_915-918;
 DOJ_0000919-925; DOJ_0000946-950; DOJ_952-959; DOJ_0000967-974;
 DOJ_0001049-1080; DOJ_00001238-1283; DOJ_00001332-1440; DOJ_0001441-
 1460; DOJ_00001472-1496; DOJ_3853-3913; SENATE-PSI-117457-118644; and
 United States Department of State Annual Human Rights Reports located online at
 online at <http://www.state.gov/j/drl/rls/hrrpt>.

XVI.
**NGUEMA AND HIS FAMILY USE THE
 THREAT OF VIOLENCE TO DOMINATE
 EG AND ITS GOVERNMENT**

Nguema's father, President Obiang, as described in the COMPLAINT,
 exercises plenary control of EG's political and economic infrastructure. The State
 Department's 2006 human rights report explained that, "All branches of
 government are dominated by [President Obiang] and his inner circle, mostly of
 the Fang ethnic group." Ambassador Bennett recalled that individuals who oppose
 President Obiang are expelled from EG and that President Obiang's administration
 routinely uses torture as an instrument of political and economic control. Criticism
 of President Obiang or his family is viewed by the EG Government as an "attack[]
 against the nation." In an interview with CBS News, Ambassador Bennett
 graphically described the systemic use of torture by Nguema's family to maintain
 control of the Government.

1 In 2006, the EG Government, according to the State Department, reportedly
 2 hired assassins in foreign states, including Spain, to intimidate, threaten, and even
 3 murder EG citizens in exile. For instance, the brother of German Pedro Tomo, an
 4 exiled EG activist in Spain, was reportedly targeted for assassination. Instead of
 5 killing Tomo, however, the assassins shot Tomo's brother. These assassins were
 6 ultimately arrested and detained by Spanish law enforcement authorities for
 7 attempted murder. Similarly, the EG Government arrested and tortured individuals
 8 who opposed President Obiang, including seventy civilian and military officials,
 9 who were accused of attempting a coup. The State Department reported that their
 10 military trial was held in "secret" and all but two defendants claimed that they
 11 were tortured while in detention. Some of these defendants even bore "visible
 12 marks" of torture; another defendant had to be carried in and out of his trial
 13 because he was no longer able to walk; and a female defendant "suffered from
 14 vaginal bleeding as a result of torture."

15 Additional information responsive to this Interrogatory relating to the Inner
 16 Circle's political and economic dominance of EG may be ascertained from the
 17 COMPLAINT as well as documents that have or will be produced by the
 18 Government, including DOJ_000062-94; DOJ_0000297-302; DOJ_0000370-373;
 19 DOJ_0000394-398; DOJ_0000399-402; DOJ_651-653; DOJ_0000688-718;
 20 DOJ_883-889; DOJ_0000946-950; DOJ_1172-1238; DOJ_1332-1440;
 21 DOJ_1530-1535; and United States Department of State Annual Human Rights
 22 Reports located online at online at <http://www.state.gov/j/drl/rls/hrrpt>.
 23

24 **XVII.**
 25 **INNER CIRCLE'S CORRUPT USE OF**
 26 **RIGGS NATIONAL BANK IN WASHINGTON, D.C.**

27 Between 1995 and 2004, the EG Government and Nguema's family,
 28 including Nguema, maintained personal bank accounts at Riggs National Bank

1 (Riggs) in Washington, D.C. The EG Government directed that foreign oil
2 companies make their payments into an account at Riggs. This account was held
3 in the name of the Republic of Equatorial Guinea General Treasury and was
4 commonly referred to as the “Oil Account.” By 2003, Riggs’ EG portfolio had
5 become the largest single customer-relationship for the bank with balances and
6 outstanding loans that together approached \$700 million. The signatories on this
7 account were President Obiang, Gabriel Obiang Lima (Nguema’s brother) and
8 Melchor Adjo (Nguema’s cousin).

9 In 2004, the United States Senate’s Permanent Subcommittee on
10 Investigations (PSI) published its report on “Money Laundering and Foreign
11 Corruption: Enforcement and Effectiveness of the Patriot Act.” In that report, the
12 PSI staff concluded that Riggs “turned a blind eye to evidence [,] suggesting the
13 bank was handling the proceeds of foreign corruption.”

14 Riggs Bank records show that President Obiang transferred \$35 million from
15 the Oil Account to two companies that appeared to be associated with him—
16 Kalunga and Apexside Trading Ltd. When Riggs officials sought to obtain more
17 information about these entities from Nguema’s father and cousin, they refused to
18 provide additional details. As a result, Riggs elected to close the EG accounts on
19 February 23, 2004. (PSI 2004).

20 In addition to the Oil Account, Nguema’s father opened an account at Riggs
21 in the name of Otong, S.A. in 1999. Between 1999 and 2002, large amounts of
22 bulk cash were deposited into this account. Specifically: (1) \$1 million in cash
23 was deposited on April 20, 2000; (2) \$1 million in cash was deposited on March 8,
24 2001; (3) \$1.5 million in cash was deposited on March 20, 2001; (4) \$2 million in
25 cash was deposited on September 5, 2001; (5) \$3 million in cash was deposited on
26 September 17, 2001; and (6) \$3 million in cash was deposited on April 12, 2002.
27
28

1 This cash, according to the PSI staff, was wrapped in plastic and transported in
2 suitcases by Simon Kareri, a senior vice president of Riggs' Embassy Banking
3 Division.

4 Kareri was placed in charge of Riggs' relationship with EG and Nguema's
5 family. In 2001 or 2002, Kareri recalls that Riggs instructed him to focus his work
6 on developing that bank's relationship with EG. Kareri provided economic and
7 financial advice to EG public officials; found schools for their children; identified
8 American physicians for their medical care; and accompanied individuals,
9 including Nguema's mother, on shopping trips to Nieman Marcus in the
10 Washington, D.C. area.

11 Nguema's mother Constancia Obiang also maintained an account at Riggs.
12 Between 2000 and 2002, \$1.4 million in cash was deposited into her account.

13 Additional information responsive to this Interrogatory relating to the
14 relationship between Riggs and the Inner Circle, including Nguema, may be
15 ascertained from the COMPLAINT as well as documents that have or will be
16 produced by the Government, including SENATE-PSI-122837-124428;
17 DOJ_00001-113; DOJ_0000167-173.
18

19 **XVIII.**
20 **PAYMENTS BY OIL COMPANIES TO**
21 **PRESIDENT OBIANG'S INNER CIRCLE**

22 American oil companies had frequent contact with members of President
23 Obiang's Inner Circle. According to Kareri, several payments were made by
24 American oil companies to the Inner Circle, which he considered suspicious,
25 including:

- 26 • In approximately 1998 or 1999, Mobil Oil provided a check to
27 Nguema's mother Constancia Obiang for approximately \$200,000 or
28 \$250,000 with the caption "business development."

- 1 • In or around 2003, Marathon Oil paid Teodoro Byogo Nsue,
2 Nguema's uncle and EG's ambassador to the United States, in or
3 around \$12,000 per month. These payments were off-the-book
4 payments not documented in EG's public records and books.
- 5 • Marathon Oil also made payments to Nguema's aunt, who served as
6 EG's ambassador to Spain.
- 7 • Exxon Mobil provided free shipping services for EG public officials
8 to ship merchandise, including automobiles, from the United States
9 to EG.
- 10 • After Exxon and Mobil merged, that company's executives met with
11 President Obiang at the Willard Hotel in Washington, D.C. The
12 executives provided and left a briefcase full of money with President
13 Obiang.
- 14 • On one occasion, Mobil Oil contacted Kareri to distribute cash
15 payments to a visiting delegation of EG officials. The range of
16 payments made by Kareri to these EG public officials were between
17 \$1,500 and \$5,500 per member.
- 18 • American oil companies paid senior EG officials for "consulting"
19 fees. Kareri characterized these payments as "suspicious" and felt
20 that these officials may have tried to conceal these payments by
21 depositing the money in banks other than Riggs.
- 22 • CMS/Triton, an American oil company, paid Juan Olo Mba Nseng,
23 EG's then Minister of Mining and Hydrocarbons, \$5,000 per month.
- 24 • American oil companies paid visiting EG delegations a generous per
25 diem. In Kareri's view, the per diem rates were "excessive" in
26 nature.
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28

- CMS/Triton and Marathon Oil made cash payments to Constancia Obiang's relatives who were students in the United States. The company also helped these students secure housing in "fancy apartments."

As explained above, Nguema was also a direct beneficiary of payments made by oil companies to Nguema and his family.

Additional information responsive to this Interrogatory relating to the relationship between the Inner Circle and American oil companies may be ascertained from the COMPLAINT as well as documents that have or will be produced by the Government, including DOJ_000038-94.

INTERROGATORY NO. 2

State all facts that were in YOUR possession on or before April 28, 2011, that support the allegations in Paragraph 102 of YOUR COMPLAINT that "Nguema orchestrated and implemented a scheme to fraudulently open and use bank accounts at financial institutions in California in order to funnel millions of dollars into the United States from EG," and IDENTIFY (a) all sources of such facts; (b) the date YOU first became aware of such facts; (c) all PERSONS with knowledge of such facts; and (d) all DOCUMENTS that REFER OR RELATE TO such facts.

RESPONSE TO INTERROGATORY NO. 2

The United States objects to Claimants' Interrogatories, including but not limited to all Instructions and Definitions therein, to the extent that they purport to impose obligations on the Government beyond the scope of the Discovery Order. On September 6, 2012, the Court authorized Claimants to propound limited discovery on the probable cause the United States had when it filed the instant forfeiture action. As such, to the extent that this Interrogatory seeks information beyond the scope of the Discovery Order, the Government objects and will not produce such information, as it is neither relevant nor reasonably calculated to

1 discover evidence that the Government had for purposes of probable cause when it
2 filed the present action. The United States does, however, expressly reserve the
3 right to supplement, clarify, revise, or correct any or all of the Responses and
4 Objections (General and Specific) herein consistent with Fed. R. Civ. P. 26(e), and
5 to assert additional objections or privileges, in one or more subsequent
6 supplemental response(s).

7 The United States further objects to this Interrogatory to the extent it calls
8 for a narrative. See, e.g., Wilcox v. Changala, 2012 U.S. Dist. LEXIS 5471, at *6-
9 7 (E. D. Wash. Jan. 18, 2012) (contention interrogatories that “ask the responding
10 party to identify each and every supporting fact about a particular allegation are an
11 abuse of the discovery process”). The United States further objects to this
12 Interrogatory on the grounds that it calls for the disclosure of information subject
13 to the attorney-client privilege, the work product doctrine or the informant’s
14 privilege. The United States objects to Claimants’ Interrogatories, including but
15 not limited to all Instructions and Definitions therein, to the extent that they seek
16 information outside the possession, custody or control of DOJ and ICE. The
17 United States further objects to this Interrogatory as it is overly broad and unduly
18 burdensome, as the definition of “YOUR” includes foreign sovereign governments
19 and entities other than DOJ and ICE.
20

21 The United States further objects to this Interrogatory on the ground that it is
22 compound and contains impermissible discrete subparts, which relate to distinct
23 matters and therefore constitutes multiple interrogatories. The United States
24 further objects to this Interrogatory as it is unnecessary and unduly burdensome, as
25 it is duplicative and redundant of Interrogatory No. 1. To the extent that that this
26 request seeks information relating to the recruitment or handling of confidential
27 informants by a federal law enforcement agency, the United States objects to the
28

1 request and will not produce that information. See, e.g., Roviario v. United States,
2 353 U.S. 53 (1957).

3 Subject to and without waiving the foregoing general and specific
4 objections, the United States hereby responds as follows:

5 Between 2004 and 2008, Nguema, as described in the COMPLAINT,
6 orchestrated, participated in and implemented a scheme fraudulently to open and
7 use bank accounts at financial institutions in California in order to surreptitiously
8 funnel millions of dollars into the United States from EG, while concealing his
9 association with the accounts, the source of funds, and his status as an EG cabinet
10 minister and son of the President. During this period, Nguema fraudulently opened
11 at least ten bank accounts at six financial institutions in California, including Bank
12 of America (BOA), Union Bank of California (UBOC), Commercial Capital Bank,
13 California National Bank (CNB), Comerica Bank, and Citibank.

14 Between 2004 and 2008, Nguema, as described in the COMPLAINT,
15 orchestrated, participated in and implemented a scheme fraudulently to open and
16 use bank accounts at six financial institutions in California in order to
17 surreptitiously funnel millions of dollars into the United States from EG, while
18 concealing his association with the accounts, the source of funds, and his status as
19 an EG cabinet minister and son of the President. During this period, Nguema
20 fraudulently opened at least ten bank accounts at six financial institutions in
21 California, including Bank of America (BOA), Union Bank of California (UBOC),
22 Commercial Capital Bank, California National Bank (CNB), Comerica Bank, and
23 Citibank.

24 Beginning in 2004, after the PSI published its report on money laundering
25 on July 15, 2004, Nguema was on notice that banks in the United States were
26 uncomfortable opening bank accounts for him. The PSI's 2004 money laundering
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1 report criticized Riggs for its handling of Nguema's family's funds, including
2 those of Nguema. Further, Riggs was ultimately convicted and ordered to pay a
3 criminal fine of \$16 million, as well as \$25 million in civil penalties, for its non-
4 compliance with U.S. anti-money laundering controls.

5 Just two weeks after the PSI's report was published, City National Bank in
6 Los Angeles was contacted by Nguema after the bank had closed his personal bank
7 account. When he called the bank on July 30, 2004, Nguema told a bank employee
8 that he thought his account had been closed "due to [his] country and the oil." In
9 addition to closing his accounts, City National Bank refused to return \$699,691.02
10 of Nguema's funds to him and requested that the California Superior Court for the
11 County of Los Angeles allow the bank to release these funds to the court, rather
12 than Nguema, for ultimate resolution.

13 Beginning in 2004, Nguema, Michael J. Berger and George Nagler opened
14 bank accounts in California in the names of various shell companies, including
15 Sweet Pink, Inc., Unlimited Horizon, Inc., Beautiful Vision, Inc., and Sweetwater
16 Management, LLC, without disclosing Nguema's ownership of the companies or
17 their funds and concealing his status as a Senior Foreign Public Figure (SFP) and a
18 Politically-Exposed Person (PEP). Nguema and his intermediaries, including
19 Berger and Nagler, then transferred funds received from Nguema into these
20 fraudulently opened bank accounts in the United States. In opening numerous
21 California bank accounts and using intermediaries' accounts, Nguema, Berger and
22 Nagler intentionally and deliberately concealed from these financial institutions
23 Nguema's association with these bank accounts as well as his status as a SFP and a
24 PEP.
25

26 Nguema used many of the funds in these fraudulently opened accounts for
27 the maintenance and upkeep of the defendant Sweetwater Property, a \$30 million
28

1 mansion he purchased in Malibu in 2006. Funds were used to pay for, among
2 other things, the salaries of Nguema's household staff. These staff persons worked
3 at the Sweetwater Property and aided Nguema, at his direction, in executing this
4 fraudulent scheme. These funds were also used to maintain an office at the
5 Sweetwater Property for Nguema and his employees and associates to perpetuate
6 and oversee this scheme; the professional and administrative services of various
7 lawyers, accountants, and property managers, including Berger and Nagler; costs
8 incurred by Nguema's household staff relating to this scheme; and the costs and
9 fees of the Sweetwater Property, where Nguema and his household staff
10 maintained their business office for their shell companies and where much of the
11 conduct described at paragraphs 117-209 of the COMPLAINT were planned,
12 coordinated, and occurred.

13 Nguema repeatedly concealed from banks in California his ownership of the
14 funds in these accounts by using shell companies formed to hide his identity and
15 by using various third-party nominees, including Michael Berger and George
16 Nagler, who both allowed Nguema to use their client trust accounts to pay for
17 personal expenses. After each of these banks discovered Nguema's association
18 with the accounts, the banks closed each account.

19
20 **Bank of America.** On or about October 12, 2004, Nguema fraudulently
21 opened two accounts in the name of Beautiful Vision, a California company. No
22 banker looking at the documents and information provided to Bank of America
23 (BOA) by Berger and Nguema could have identified Nguema as being the owner
24 of Beautiful Vision, nor could they have readily identified the account as one
25 affiliated with a SFP and/or a PEP. BOA closed the Beautiful Vision accounts in
26 or around September 12, 2005, and September 15, 2005, respectively, after
27
28

1 discovering that Nguema, a SFP and a PEP, was associated with Beautiful Vision,
2 Inc.

3 **Union Bank of California.** On or about September 15, 2005, three days
4 after BOA closed Nguema's Beautiful Vision account, Nagler formed Sweet Pink,
5 Inc. for Nguema. On or about September 29, 2005, UBOC opened a checking
6 account for Sweet Pink using an EIN obtained by Nagler's assistant. The
7 signatories on the account were Eve Jeffers, Nguema's then-girlfriend, and four
8 employees of an accounting firm owned by Marvin Freedman that had been
9 retained by Nguema. On the bank account opening documents, Marvin
10 Freedman's business address is listed as Sweet Pink's address. No banker looking
11 at the documents and information provided by Nagler could have identified
12 Nguema, as being the owner of Sweet Pink, nor could they have identified the
13 account as one affiliated with an SFP and a PEP. Approximately eight days later,
14 on or about October 27, 2005, UBOC discovered that Nguema was using the Sweet
15 Pink account to gain access to the U.S. banking system and closed Sweet Pink's
16 account. This was the third time in less than fifteen months that a California bank
17 closed an account after learning of Nguema's association with the account.
18

19 **Commercial Capital Bank.** On or about December 7, 2005, less than two
20 months after UBOC closed Nguema's Sweet Pink account, Berger opened an
21 account at Commercial Capital Bank in the name of Unlimited Horizon, Inc.
22 Berger caused Unlimited Horizon to be incorporated in California on October 21,
23 2005. No banker looking at the documents and information provided by Berger
24 and Nguema could have identified Nguema as being the owner of Unlimited
25 Horizon, nor could they have identified the account as one affiliated with an SFP
26 and a PEP. On or about June 22, 2006, Commercial Capital Bank closed
27
28

1 Unlimited Horizon's account. This was the fifth account in less than two years
2 closed by a California bank after discovering its association with Nguema.

3 **California National Bank.** On or about May 16, 2006, after Nguema had
4 acquired the Sweetwater Property in April 2006, Nagler formed another company
5 for Nguema called Sweetwater Management, Inc. Sweetwater Management was
6 purportedly formed to employ and to pay individuals working to maintain the
7 Sweetwater Property. In or around May 30, 2006, Edward Mizrahi, Nguema's
8 estate manager, opened an account at this bank in the name of "American Equity
9 Properties, DBA: American Property MGMT ITF: Sweet Water Malibu" ("AEP
10 Account"). The estate manager concealed Nguema's involvement with the account
11 as well as Nguema's status as a SFP and a PEP. He identified the owner of
12 Sweetwater Malibu, LLC as a "high profile" person who wanted to remain
13 confidential. The following day, on or about May 31, 2006, Nguema's personal
14 assistant Melinda DeHaven opened three additional business accounts at CNB in
15 the name of Sweetwater Management, Inc. On or about June 22, 2006, the bank
16 closed all four accounts after learning that these accounts were associated with
17 Nguema.
18

19 **Union Bank of California.** On or about August 28, 2006, two months after
20 Unlimited Horizon's account at Commercial Capital Bank was closed and
21 Nguema's four accounts at CNB were closed, Berger opened two Basic Business
22 Checking Accounts in the name of Unlimited Horizon, Inc. at a UBOC branch in
23 Beverly Hills. Berger identified himself to UBOC as Unlimited Horizon's
24 president, and was the sole signatory on both UBOC accounts. Berger again
25 concealed material information from UBOC, including Nguema's association with
26 Unlimited Horizon, as well as Nguema's status as a SFP and a PEP. No banker
27 looking at the documents and information provided to UBOC by Nguema and
28

1 Berger, could have identified Nguema as being the owner of these accounts, nor
2 could they have identified the account as one affiliated with an SFP and a PEP.
3 After opening these accounts, Berger explained to Nguema in an email dated on or
4 about November 1, 2006, that future wires should be sent “to my new client trust
5 account at [UBOC]. I will transfer it from there to the Unlimited Horizon, Inc.
6 General Account. I will send you a separate e-mail and fax requesting a \$200,000
7 wire transfer and providing wire transfer information for this new account.” Upon
8 receiving these wires in his client trust accounts, Berger withdrew these funds and
9 deposited them into Unlimited Horizon’s UBOC accounts in the form of checks
10 and bank drafts. Between November 29, 2006 and May 11, 2007, Berger
11 deposited seven checks totaling \$1,399,485 into Unlimited Horizon’s UBOC
12 accounts, after withdrawing these funds as “cash” from his client trust account.
13 On or about June 12, 2007, after an investigation by UBOC discovered that Berger
14 represented Nguema, an SFP and a PEP, and that Berger was using corporate
15 vehicles to “disguise the identity of” Nguema to pay for the Sweetwater property
16 and Nguema’s living expenses, UBOC closed all three accounts.
17

18 **Comerica Bank.** On or about February 6, 2007 -- eight months after CNB
19 closed Nguema’s four accounts -- Nguema applied to open a bank account at
20 Comerica Bank on the Avenue of the Stars in Los Angeles. On this occasion,
21 Nguema directed his representative Anne Morse to open an account in his name
22 and to identify himself as an EG citizen to the bank, but he nonetheless concealed
23 from Comerica the fact that he was a PEP and an SFP. When asked explicitly
24 whether Nguema “ever performed important public functions for a foreign state
25 (PEP)?” Nguema’s representative answered in the negative. When asked whether
26 Nguema was “closely associated with person(s) who perform public functions for a
27 foreign state (PEP)?” the representative again answered in the negative. On or
28

1 about March 22, 2007, Comerica closed this account after the bank's compliance
2 personnel discovered that Nguema, in fact, was a PEP and an SFP.

3 **Citibank**. On or about June 25, 2007, approximately thirteen days after
4 UBOC closed Nguema's accounts, Berger opened another account in the name of
5 Unlimited Horizon at a Citibank branch in Beverly Hills. During the account-
6 opening process, Berger deliberately hid Nguema's ownership of the account by
7 telling a Citibank banker that the true owners of the Citibank account were U.S.
8 citizens, when, in fact, Nguema a non-U.S. citizen and a SFP was the account's
9 true owner.

10 Over the course of the next five months, Nguema transferred over \$1 million
11 directly from EG into Berger's client trust account. Berger, in turn, transferred
12 these funds into Unlimited Horizon's Citibank account. In an email dated on or
13 about December 7, 2007, Berger confirmed with Nguema, "I know that all
14 payments [from the Citibank account] must be approved by you . . . I understand
15 the importance of the principle. This e-mail will reconfirm that I will only pay
16 bills approved by you." On or about May 20, 2008, after uncovering Nguema's
17 association with Unlimited Horizon and this account, Citibank closed Unlimited
18 Horizon's account.
19

20 Additional information responsive to this Interrogatory and the
21 Government's allegations of domestic bank fraud may be ascertained from the
22 COMPLAINT, as well as documents that have or will be produced by the
23 Government, including DOJ_0000212-217; DOJ_0000227-236; DOJ_0000252-
24 257; DOJ_0000258-260; DOJ_0000261-264; DOJ_0000285-288; DOJ_0000289-
25 296; SENATE-PSI-000070636-70717; SENATE-PSI-000072041-73108;
26 SENATE-PSI-73109-100926; SENATE-PSI-0000100927-100999;
27 DOJ_0000101000-101513; SENATE-PSI-0000101514-107289; SENATE-PSI-
28

1 SENATE-PSI-110261-110308; SENATE-PSI-0000120246-249; SENATE-PSI-
2 000120250-120265; SENATE-PSI-120374-122836; SENATE-PSI-124429-
3 126128.

4 **Proceeds of Bank Fraud Used for Maintenance and Upkeep of the Sweetwater**

5 **Property:** The funds deposited and funneled through Nguema's fraudulently
6 opened bank accounts were used to, among other things, pay for the maintenance
7 and upkeep of the defendant Sweetwater Property. In disbursing funds from these
8 fraudulently opened bank accounts, Nguema specifically ordered and/or approved
9 the disbursement of funds to various vendors and payees relating to the maintenance
10 and upkeep of the Sweetwater Property. Indeed, Berger was not permitted to
11 disburse any funds belonging to Nguema in these accounts unless he first received
12 a check approval form that was signed personally by Nguema.

13 Nguema used the funds in his Unlimited Horizon account at UBOC to
14 support, maintain and enhance the Sweetwater Property, including, among other
15 things, paying in or around \$54,000 per month for home security services; \$10,000
16 per month in electricity bills; \$8,000 per month in phone bills; \$73,649.95 in
17 property taxes; \$6,875 for the installation of a sauna; more than \$10,000 for home
18 theater equipment; more than \$4,000 for home insurance; more than \$12,000 in
19 landscaping fees; more than \$36,000 in tree care-related fees; and more than
20 \$30,000 per month in payroll for his household staff, including estate managers,
21 maintenance crews, and housekeepers.

22 Similarly, Nguema's fraudulently opened Citibank account held in the name
23 of Unlimited Horizon was also used for the maintenance and upkeep of the
24 Sweetwater Property. Specifically, these funds were used to pay for expenses,
25 including, among other things, approximately \$54,000 per month on the home's
26 security detail, over \$9,000 per month on the power bill to Southern California
27
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1 Edison, over \$5,000 per month on the home's water bill to Los Angeles County
 2 Waterworks, \$37,000 on landscaping costs, \$3,773 on maintenance for the home's
 3 fish tank, \$24,700 on outdoor landscape lighting, \$7,577 for the "Fish Physician"
 4 in connection with the home's Koi pond, \$9,600 on audio-video equipment, \$1,304
 5 for swimming pool maintenance, and thousands of dollars for home furniture and
 6 decorations.

7 Additional information responsive to this Interrogatory may be ascertained
 8 from the COMPLAINT, as well as documents that have or will be produced by the
 9 Government, including DOJ_0000212-217; DOJ_0000227-236; DOJ_0000252-
 10 257; DOJ_0000258-260; DOJ_0000261-264; DOJ_0000285-288; DOJ_0000289-
 11 296; DOJ_0000470-476; SENATE-PSI-000070636-70717; SENATE-PSI-
 12 000072041-73108; SENATE-PSI-73109-100926; SENATE-PSI-0000100927-
 13 100999; DOJ_0000101000-101513; SENATE-PSI-0000101514-107289;
 14 SENATE-PSI-SENATE-PSI-110261-110308; SENATE-PSI-0000120246-249;
 15 SENATE-PSI-0000250-120265; SENATE-PSI-120374-122836; SENATE-PSI-
 16 124429-126128.

17 **Nguema's Use of Shell Companies to Fraudulently Open Bank Accounts**

18
 19 Between 2000 and 2011, Nguema created and used more than six shell
 20 companies to acquire assets, open bank accounts and transfer funds to conceal the
 21 source, origin and/or ownership of his assets and funds. Nguema opened accounts
 22 in the names of these shell companies as early as 2000. None of these shell
 23 companies engaged in any legitimate commercial or economic activity. Nguema's
 24 representatives frequently opened bank accounts at American financial institutions
 25 in the names of these shell companies without disclosing Nguema's association
 26 with these companies. Nguema's funds were then funneled through multiple
 27 accounts and multi-layered transactions. Nguema's utilization of these shell
 28

1 corporations, nominees and complex layered transactions served no business or
2 commercial purpose other than to conceal the origin, ownership and/or source of
3 his assets and funds in the United States.

4 Nguema formed at least six shell companies in California to fraudulently
5 open bank accounts at American financial institutions. These entities included:

- 6 • **Sweet Pink, Inc.** Nguema formed Sweet Pink, Inc. in 2005 and used
7 it to open a bank account at Union Bank of California (UBOC) in
8 September 2005. Sweet Pink was incorporated in California and
9 listed George Nagler as its registered agent. Sweet Pink engaged in
10 no economic or commercial activity of any kind. Its only apparent
11 function was to conceal Nguema's association with this account from
12 UBOC. Nguema wired \$29,947.50 into Sweet Pink's account from an
13 EG bank account in the name of Somagui in or around October 19,
14 2005.
- 15 • **Unlimited Horizon, Inc.** Nguema used Unlimited Horizon to open
16 Bank Accounts at UBOC, Commercial Capital Bank and Citibank in
17 Los Angeles. Unlimited Horizon is incorporated in California and
18 lists Michael Berger, another California lawyer, as its registered agent.
19 Unlimited Horizon did not engaged in any economic or commercial
20 activity. Its only apparent function was to conceal Nguema's
21 association with this account from American financial institutions. It
22 also served as a receptacle for Nguema and Michael Berger to funnel
23 money through layered transactions. Unlimited Horizon's
24 Commercial Capital Bank account received the following three wires
25 from EG: (i) a wire for \$19,946.25 from Somagui on or about
26 February 16, 2006; (ii) a wire for \$49,945 from Somagui on or about
27
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1 March 23, 2006; and (iii) a wire for \$39,944.81 from SOCAGE on or
2 about June 16, 2006. Between November 24, 2006 and June 6, 2007,
3 Unlimited Horizon's UBOC account was the ultimate destination of
4 eight wires from Nguema, which were funneled through accounts
5 controlled by Berger at UBOC and Somagui at CCEI Bank in EG,
6 amounting cumulatively to approximately \$1,599,419. Between July
7 27, 2007, and November 6, 2007, Nguema funneled over a \$1 million
8 from EG through Berger's client trust account at Bank of America
9 (BOA) to Unlimited Horizon's account at Citibank. These funds were
10 used for the maintenance and upkeep of the defendant Sweetwater
11 Property.

- 12 • **Beautiful Vision, Inc.:** Nguema used Beautiful Vision to open bank
13 accounts at BOA. Berger was also listed as a signatory on the
14 accounts. Beautiful Vision did not engage in legitimate economic or
15 commercial activity of any kind. Its only apparent function was to
16 conceal Nguema's association with this account from BOA. Beautiful
17 Vision, Inc. was formed in California and listed Berger as its
18 registered agent. Between November 1, 2004, and November 2005, at
19 least \$1 million in funds originating from EG were funneled into
20 Beautiful Vision's accounts at BOA.
- 21 • **Sweetwater Malibu, LLC.** Nguema formed Sweetwater Malibu
22 LLC in 2006 and used it to take title to the defendant Sweetwater
23 Property. Sweetwater Malibu did not engage in any economic or
24 commercial activity. Its only apparent function was to conceal
25 Nguema's ownership of the Sweetwater Property. Nguema opened
26 one account in 2006 using Sweetwater Malibu's name at California
27
28

1 National Bank. In or around June 12, 2006, Nguema wired \$249,899
2 to this account from EG.

- 3 • **Sweetwater Management, Inc.** Nguema formed Sweetwater
4 Management in 2006 and used it to open three bank accounts at
5 California National Bank in 2006. Sweetwater Management was
6 incorporated in California and listed George Nagler as its registered
7 agent. Sweetwater Management did not engage in any economic or
8 commercial activity. Its only apparent function was to conceal
9 Nguema's association with this account from an American financial
10 institution. This shell company was used to hire personnel to care for
11 the defendant Sweetwater Property's maintenance and upkeep and to
12 open an account, whose funds would be used for the maintenance and
13 upkeep of the defendant Sweetwater Property.
14

15 Additional information responsive to this Interrogatory relating to Nguema's
16 formation and use of shell companies to defraud American financial institutions
17 may be ascertained from the COMPLAINT and documents that have or will be
18 produced by the Government, including DOJ_0000212-217; DOJ_0000227-236;
19 DOJ_0000252-257; DOJ_0000258-260; DOJ_0000261-264; DOJ_0000285-288;
20 DOJ_0000289-296; DOJ_0000470-476; SENATE-PSI-000070636-70717;
21 SENATE-PSI-000072041-73108; SENATE-PSI-73109-100926; SENATE-PSI-
22 0000100927-100999; DOJ_0000101000-101513; SENATE-PSI-0000101514-
23 107289; SENATE-PSI-SENATE-PSI-110261-110308; SENATE-PSI-
24 0000120246-120249; SENATE-PSI-000120250-120265; SENATE-PSI-120374-
25 122836; SENATE-PSI-124429-126128.
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INTERROGATORY NO. 3

State all facts that were in YOUR possession on or before April 28, 2011, that support the allegations in Paragraph 103 of YOUR COMPLAINT that "Nguema continued to spend more than \$100,000 per month to pay for the maintenance and upkeep of his newly acquired 12-acre Malibu estate," and IDENTIFY (a) all sources of such facts; (b) the date YOU first became aware of such facts; (c) all PERSONS with knowledge of such facts; and (d) all DOCUMENTS that REFER OR RELATE TO such facts; and state the basis for YOUR contention, if you so contend, that this allegation subjects the DEFENDANT ASSETS to forfeiture.

RESPONSE TO INTERROGATORY NO. 3

The United States objects to Claimants' Interrogatories, including but not limited to all Instructions and Definitions therein, to the extent that they purport to impose obligations on the Government beyond the scope of the Discovery Order. On September 6, 2012, the Court authorized Claimants to propound limited discovery on the probable cause the United States had when it filed the instant forfeiture action. As such, to the extent that this Interrogatory seeks information beyond the scope of the Discovery Order, the Government objects and will not produce such information, as it is neither relevant nor reasonably calculated to discover evidence that the Government had for purposes of probable cause when it filed the present action. The United States does, however, expressly reserve the right to supplement, clarify, revise, or correct any or all of the Responses and Objections (General and Specific) herein consistent with Fed. R. Civ. P. 26(e), and to assert additional objections or privileges, in one or more subsequent supplemental response(s).

The United States further objects to this Interrogatory to the extent it calls for a narrative. See, e.g., Wilcox v. Changala, 2012 U.S. Dist. LEXIS 5471, at *6-7 (E. D. Wash. Jan. 18, 2012) (contention interrogatories that "ask the responding

1 party to identify each and every supporting fact about a particular allegation are an
2 abuse of the discovery process”). The United States further objects to this
3 Interrogatory on the grounds that it calls for the disclosure of information subject
4 to the attorney-client privilege, the work product doctrine or the informant’s
5 privilege. The United States further objects to this Interrogatory as it is overly
6 broad and unduly burdensome, as the definition of “YOUR” includes foreign
7 sovereign governments and entities other than DOJ and ICE.

8 The United States also objects to this Interrogatory on the ground that it is
9 compound and contains impermissible discrete subparts, which relate to distinct
10 matters and therefore constitutes multiple interrogatories. The United States
11 objects to Claimants’ Interrogatories, including but not limited to all Instructions
12 and Definitions therein, to the extent that they seek information outside the
13 possession, custody or control of DOJ and ICE. The United States further objects
14 to this Interrogatory as it is unnecessary and unduly burdensome, as it is
15 duplicative and redundant of Interrogatory Nos. 1 and 2. To the extent that that
16 this request seeks information relating to the recruitment or handling of
17 confidential informants by a federal law enforcement agency, the United States
18 objects to the request and will not produce that information. See, e.g., Roviato v.
19 United States, 353 U.S. 53 (1957).
20

21 Subject to and without waiving the foregoing general and specific
22 objections, the United States responds as follows:

23 Between May 2006 and June 2008, Nguema fraudulently opened bank
24 accounts at several financial institutions in California to, among other things, pay
25 for the maintenance and upkeep of the Sweetwater Property. For instance,
26 Nguema used the funds in his Unlimited Horizon account at UBOC to support,
27 maintain and enhance the Sweetwater Property, including, among other things,
28

1 paying in or around \$54,000 per month for home security services; \$10,000 per
2 month in electricity bills; \$8,000 per month in phone bills; \$73,649.95 in property
3 taxes; \$6,875 for the installation of a sauna; more than \$10,000 for home theater
4 equipment; more than \$4,000 for home insurance; more than \$12,000 in
5 landscaping fees; more than \$36,000 in tree care-related fees; and more than
6 \$30,000 per month in payroll for his household staff, including estate managers,
7 maintenance crews, and housekeepers.

8 Similarly, Nguema's fraudulently opened Citibank account held in the name
9 of Unlimited Horizon was also used for the maintenance and upkeep of the
10 Sweetwater Property. Specifically, these funds were used to pay for expenses,
11 including, among other things, approximately \$54,000 per month on the home's
12 security detail, over \$9,000 per month on the power bill to Southern California
13 Edison, over \$5,000 per month on the home's water bill to Los Angeles County
14 Waterworks, \$37,000 on landscaping costs, \$3,773 on maintenance for the home's
15 fish tank, \$24,700 on outdoor landscape lighting, \$7,577 for the "Fish Physician"
16 in connection with the home's Koi pond, \$9,600 on audio-video equipment, \$1,304
17 for swimming pool maintenance, and thousands of dollars for home furniture and
18 decorations.
19

20 Additional information responsive to this Interrogatory may be ascertained
21 from the COMPLAINT, as well as documents that have or will be produced by the
22 Government, including DOJ_0000212-217; DOJ_0000227-236; DOJ_0000252-
23 257; DOJ_0000258-260; DOJ_0000261-264; DOJ_0000285-288; DOJ_0000289-
24 296; DOJ_0000470-476; SENATE-PSI-000070636-70717; SENATE-PSI-
25 000072041-73108; SENATE-PSI-73109-100926; SENATE-PSI-0000100927-
26 100999; DOJ_0000101000-101513; SENATE-PSI-0000101514-107289;
27 SENATE-PSI-SENATE-PSI-110261-110308; SENATE-PSI-0000120246-249;
28

1 SENATE-PSI-0000250-120265; SENATE-PSI-120374-122836; SENATE-PSI-
2 124429-126128.

3 **INTERROGATORY NO. 4**

4 State all facts that YOU learned after April 28, 2011, which YOU contend
5 support forfeiture of each of the DEFENDANT ASSETS, and IDENTIFY (a) all
6 sources of such facts; (b) the date YOU first became aware of such facts; (c) all
7 PERSONS with knowledge of such facts; and (d) all DOCUMENTS that REFER
8 OR RELATE TO such facts.

9 **RESPONSE TO INTERROGATORY NO. 4**

10 The United States objects to this Interrogatory as it is overly broad and
11 unduly burdensome, as it seeks information obtained by the Government after the
12 filing of the COMPLAINT and is not limited by temporal scope. The United
13 States objects to Claimants' Interrogatories, including but not limited to all
14 Instructions and Definitions therein, to the extent that they purport to impose
15 obligations on the Government beyond the scope of the Discovery Order. On
16 September 6, 2012, the Court authorized Claimants to propound limited discovery
17 on the probable cause the United States had when it filed the instant forfeiture
18 action. As such, to the extent that this Interrogatory seeks information beyond the
19 scope of the Discovery Order, the Government objects and will not produce such
20 information, as it is neither relevant nor reasonably calculated to discover evidence
21 that the Government had for purposes of probable cause when it filed the present
22 action. The United States does, however, expressly reserve the right to
23 supplement, clarify, revise, or correct any or all of the Responses and Objections
24 (General and Specific) herein consistent with Fed. R. Civ. P. 26(e), and to assert
25 additional objections or privileges, in one or more subsequent supplemental
26 response(s).
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1 The United States further objects to this Interrogatory to the extent it calls
2 for a narrative. See, e.g., Wilcox v. Changala, 2012 U.S. Dist. LEXIS 5471, at *6-
3 7 (E. D. Wash. Jan. 18, 2012) (contention interrogatories that “ask the responding
4 party to identify each and every supporting fact about a particular allegation are an
5 abuse of the discovery process”). The United States further objects to this
6 Interrogatory on the grounds that it calls for the disclosure of information subject
7 to the attorney-client privilege, the work product doctrine or the informant’s
8 privilege. The United States objects to Claimants’ Interrogatories, including but
9 not limited to all Instructions and Definitions therein, to the extent that they seek
10 information outside the possession, custody or control of DOJ and ICE. The
11 United States further objects to this Interrogatory as it is overly broad and unduly
12 burdensome, as the definition of “YOUR” includes foreign sovereign governments
13 and entities other than DOJ and ICE.

14
15 The United States also objects to this Interrogatory on the ground that it is
16 compound and contains impermissible discrete subparts, which relate to distinct
17 matters and therefore constitutes multiple interrogatories. To the extent that that
18 this request seeks information relating to the recruitment or handling of
19 confidential informants by a federal law enforcement agency, the United States
20 objects to the request and will not produce that information. See, EG, Roviario v.
21 United States, 353 U.S. 53 (1957).

22 Subject to and without waiving the foregoing general and specific
23 objections, the United States will supplement its response to this Interrogatory
24 consistent with the Joint Stipulation filed by the parties on October 18, 2012, and
25 approved by the Court on October 19, 2012.
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2 **INTERROGATORY NO. 5**

3 For each DEFENDANT ASSET, state all facts that YOU were aware of on
4 or before April 28, 2011, that support YOUR contention, if YOU so contend, that
5 each of the DEFENDANT ASSETS is either (a) property involved in a MONEY
6 LAUNDERING TRANSACTION or an attempted MONEY LAUNDERING
7 TRANSACTION, or [is] property traceable to such assets; (b) property derived
8 from, or traceable, to proceeds obtained, directly or indirectly from an offense
9 against a foreign nation; or (c) property constituting or derived from proceeds
10 traceable to an offense constituting a specified unlawful activity.

11 **RESPONSE TO INTERROGATORY NO. 5**

12 The United States objects to Claimants' Interrogatories, including but not
13 limited to all Instructions and Definitions therein, to the extent that they purport to
14 impose obligations on the Government beyond the scope of the Discovery Order.
15 On September 6, 2012, the Court authorized Claimants to propound limited
16 discovery on the probable cause the United States had when it filed the instant
17 forfeiture action. As such, to the extent that this Interrogatory seeks information
18 beyond the scope of the Discovery Order, the Government objects and will not
19 produce such information, as it is neither relevant nor reasonably calculated to
20 discover evidence that the Government had for purposes of probable cause when it
21 filed the present action. The United States does, however, expressly reserve the
22 right to supplement, clarify, revise, or correct any or all of the Responses and
23 Objections (General and Specific) herein consistent with Fed. R. Civ. P. 26(e), and
24 to assert additional objections or privileges, in one or more subsequent
25 supplemental response(s).

26 The United States further objects to this Interrogatory to the extent it calls
27 for a narrative. See, e.g., Wilcox v. Changala, 2012 U.S. Dist. LEXIS 5471, at *6-
28 7 (E. D. Wash. Jan. 18, 2012) (contention interrogatories that "ask the responding

1 party to identify each and every supporting fact about a particular allegation are an
2 abuse of the discovery process”). The United States further objects to this
3 Interrogatory on the grounds that it calls for the disclosure of information subject
4 to the attorney-client privilege, the work product or the informant’s privilege. The
5 United States objects to Claimants’ Interrogatories, including but not limited to all
6 Instructions and Definitions therein, to the extent that they seek information
7 outside the possession, custody or control of DOJ and ICE. The United States
8 further objects to this Interrogatory as it is overly broad and unduly burdensome, as
9 the definition of “YOUR” includes foreign sovereign governments and entities
10 other than DOJ and ICE.

11 The United States also objects to this Interrogatory on the ground that it is
12 compound and contains impermissible discrete subparts, which relate to distinct
13 matters and therefore constitutes multiple interrogatories. To the extent that that
14 this request seeks information relating to the recruitment or handling of
15 confidential informants by a federal law enforcement agency, the United States
16 objects to the request and will not produce that information. See, e.g., Roviato v.
17 United States, 353 U.S. 53 (1957). The United States further objects to this
18 Interrogatory as it is unnecessary and unduly burdensome, as it is duplicative and
19 redundant of Interrogatory Nos. 1, 2 and 3.

20 Subject to and without waiving the foregoing general and specific
21 objections, the United States responds as follows:

22 Brigadier General Teodoro Nguema Obiang Mbasogo (President Obiang)
23 seized power from his uncle, President Francisco Macias Nguema, in a military
24 coup d’etat in Equatorial Guinea (EG) in 1979. Since that time, President Obiang
25 and a small number of individuals who hold critical positions of political and
26 economic power (Inner Circle) in EG, including his eldest son Teodoro Nguema
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Obiang Mangué (Nguema), have exercised plenary control of that country's political and economic infrastructure. After large-scale oil reserves were discovered in EG during the 1990s, EG has generated billions of dollars in public revenue from its sale of oil extraction rights to foreign oil companies.

I.

**NGUEMA IS A SENIOR MEMBER OF
PRESIDENT OBIANG'S INNER CIRCLE**

Nguema is a key member of President Obiang's cabinet and an important member of this Inner Circle. He was appointed Second Vice President of EG by his father in May 2012 and placed in charge of national security issues. Prior to being appointed Second Vice President, Nguema served as EG's Minister of Forestry and Agriculture and Minister of Infrastructure. As EG's Forestry Minister, Nguema was in charge of overseeing and regulating EG's timber industry, which is that country's second largest source of foreign exports. Indeed, since first being appointed to the cabinet in 1998 at the age of 29, Nguema has remained a minister in President Obiang's Government and is now one of the most senior members of President Obiang's administration and senior staff. Many people believe that Nguema is the presumptive heir to EG's presidency.

Additional information responsive to this Interrogatory relating to Nguema's role within the Inner Circle may be ascertained from the COMPLAINT and documents that have or will be produced by the Government, including DOJ_0000584-592; DOJ_000062-94; DOJ_0000394-398; DOJ_0000322-326; DOJ_0000359-363; DOJ_0000842-852; and DOJ_00001049-1080; DOJ_0000946-950.

II.
NGUEMA'S MODEST
LEGITIMATE INCOME

As a public official in EG, Nguema's legitimate salary is approximately \$6,799 per month, or less than \$100,000 per year, according to official EG sources. Additional information responsive to this Interrogatory relating to Nguema's official salary as a public official may be ascertained from the COMPLAINT and documents that have or will be produced by the Government, including DOJ_0000394-398; DOJ_0000322-326; DOJ_0000872-875; DOJ_0000890-894; DOJ_0001441-1460; DOJ_0001049-1080.

III.
NGUEMA'S ACQUISITION OF THE
\$30 MILLION MALIBU MANSION

Despite making less than \$100,000 per year as a public official, Nguema reached an agreement in or around February 2006 to purchase a mansion estate (Sweetwater Property) on Sweetwater Mesa Road in Malibu, California for approximately \$30 million. The price of the mansion was the equivalent of more than 300 times Nguema's annual salary as a public official. From April 5, 2006, through April 26, 2006, Nguema sent five wires from EG to an escrow account at First American Title Co. Nguema used an account he held at Societe Generale de Banque en Guinee to wire these funds.

In acquiring the Sweetwater Property, Nguema engaged in conduct that demonstrates that he was attempting to conceal the source, ownership and control of the Sweetwater Property. For instance:

- Rather than acquiring and recording the title to the Sweetwater Property in his name, Nguema used the name of a shell company called Sweetwater Malibu LLC (Sweetwater Malibu).

- 1 • In obtaining an Employer Identification Number (EIN) for Sweetwater
2 Malibu, Christine Nguyen, an employee of George Nagler, a California real
3 estate lawyer, falsely identified herself to the Internal Revenue Service (IRS)
4 as Sweetwater Malibu's principal officer, general partner, grantor, owner, or
5 trustor. Neither the company's articles of incorporation, by-laws or other
6 corporate documents identify Nagler or Nguyen as retaining such authority
7 within the corporation.
- 8 • In addition, Nguyen claimed falsely to the IRS that Sweetwater Malibu was
9 a single member LLC and that she—rather than Nguema—was its sole
10 member.
- 11 • Sweetwater Malibu's articles of organization, which were filed with the
12 California Secretary of State on February 8, 2006, make no reference to
13 Nguema anywhere in the document. Instead, Nagler is listed as the
14 company's initial agent for service of process and an unrelated nominee
15 signed the document as the company's purported "organizer."
- 16 • Nguema required his realtor Neal Baddin to enter into a confidentiality
17 agreement, whereby Baddin was barred from discussing or disclosing
18 Nguema's identity or details relating to the Sweetwater Property transaction
19 to any third party.
- 20 • In or around April 3, 2006, Nagler recommended that Nguema ask that the
21 title company draft the deed so as to hide Nguema's connection with the
22 transaction. Nagler advised Nguema to instruct the title company to "show
23 [Nagler's] office address so that there is no tie in with [Nguema's current
24 residential] address." Nagler reminded Nguema that, "The deed is a public
25 document. The other closing documents should [also] go to my address."
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- In or around April 4, 2006, Nguema responded to, and explicitly approved, Nagler's recommendation that the Sweetwater Property's deed list Nagler's office address (rather than his own). Nguema signed the letter in his own handwriting and returned a copy to Nagler.
- Although Sweetwater Malibu was required under California law to file a Statement of Information disclosing publicly the name and address of its manager, the type of business it engages in, and the name and address of its chief executive officer, by May 7, 2006, no such statement was filed. Sweetwater Malibu did not disclose such information until September 25, 2006, after the transaction to purchase the Sweetwater Property was completed.

Additional information responsive to this Interrogatory relating to Nguema's acquisition of the Sweetwater Property may be ascertained from the COMPLAINT as well as documents that have or will be produced by the Government, including DOJ_0000209-211; DOJ_0000212-217; DOJ_0000218-226; DOJ_0000269-272; DOJ_0000470-476; DOJ_0000838-841; DOJ_0000842-852; DOJ_0000872-875; DOJ_0000890-893; DOJ_0000922-923; DOJ_0000946-950; DOJ_0001049-1-80; SENATE-PSI-124429-126128; SENATE-PSI-118,645-119,028; SENATE-PSI-73109-100926; SENATE-PSI-107290-110260; SENATE-PSI-120250-120265.

IV.

NGUEMA'S ACQUISITION OF THE MICHAEL JACKSON MEMORABILIA

Nguema acquired hundreds of thousands of dollars in Michael Jackson memorabilia. In or around December 2010, Nguema used his personal assistant, Wanda Kelly, as an intermediary to attend and bid at an auction of celebrity memorabilia. At this auction, Kelly successfully bid on several items, including

1 the defendant white crystal-covered “Bad Tour” glove, on Nguema’s behalf. In
2 March 2011, Nguema again used Kelly to bid and purchase various items of
3 Michael Jackson memorabilia for a total purchase price of \$115,000. In June
4 2011, Nguema again used Kelly to bid on additional items of Michael Jackson
5 memorabilia. Kelly successfully bid on \$379,700 in merchandise. In 2011 alone,
6 Nguema acquired Michael Jackson memorabilia worth more than 5 times his
7 annual public salary.

8 In acquiring this merchandise, Nguema engaged in conduct demonstrating
9 that he was seeking to conceal the source, ownership and control of these assets.
10 For instance:

- 11 • In August 2010, Kelly asked that the auction house revise its invoices so
12 that the purchaser of certain items was listed as “Amadeo Oluy” rather
13 than Nguema. Kelly advised the auction house “Please make sure that
14 [Nguema’s] name does not appear anywhere, he should be invisible.”
- 15 • In December 2010, Kelly bid on and purchased certain items at an
16 auction held in Beverly Hills, California on Nguema’s behalf. Again, the
17 auction house used an alias, instead of Nguema’s name, on the billing
18 invoices. The address of the purchaser was listed as Sweetwater,
19 Malabo, Guinea Equatorial.
- 20 • On or about January 31, 2011, Nguema wired \$872,112 to the auction
21 house in the name of yet another shell company, Eloba Construcccion,
22 S.A., rather than his one name. The items were subsequently shipped to
23 Nguema’s Sweetwater Property.

24 Additional information responsive to this Interrogatory relating to Nguema’s
25 acquisition of Michael Jackson memorabilia may be ascertained from the
26
27
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1 COMPLAINT as well as documents that have or will be produced by the
2 Government, including DOJ_2435-2480; DOJ_00003516-3852; DOJ_2353-2426.

3 **V.**
4 **NGUEMA'S ACQUISITION**
5 **OF THE FERRARI**

6 On or about November 11, 2010, Nguema also acquired the defendant 2011
7 Ferrari 599 GTO from Ferrari of Beverly Hills with funds in the name of a shell
8 company for more than \$500,000. The value of the defendant Ferrari was the
9 equivalent of more than five times Nguema's annual income as a public official.

10 Nguema wired \$492,997.99 from an EG bank account in the name of yet
11 another shell company, Somagui Forestal, in or around December 16, 2010, to
12 Pacific Western Bank in connection with the purchase of the Ferrari. In addition,
13 Nguema sent three additional wires from EG to Ferrari of Beverly Hills in
14 connection with this purchase, including: (1) a wire for \$25,131.48 on or about
15 November 13, 2009; (2) a wire for \$39,912 on or about November 23, 2009; and
16 (3) a wire for \$14,929.65 on or about December 9, 2009. On or about December 9,
17 2010, \$39,912 was refunded to Nguema by Ferrari of Beverly Hills. These funds
18 were sent to an account held in the name of still another shell company, Mecafis
19 Estate Services LLC, at Wells Fargo Bank.

20 Additional information responsive to this Interrogatory relating to Nguema's
21 acquisition of the Defendant Ferrari may be ascertained from the COMPLAINT As
22 well as documents that have or will be produced by the Government, including
23 DOJ_00001905-2040.
24

VI.
SUBSTANTIAL ASSET PURCHASES
THAT ARE INCONSISTENT WITH NGUEMA'S
LEGITIMATE INCOME

Between 1998 and 2011, Nguema spent more than \$100 million acquiring luxury assets and property in the United States, France and South Africa. These expenditure are wholly inconsistent with his annual salary of \$100,000 per year. During a period of three months in 2006, for instance, Nguema spent \$68 million on two assets in the United States: the \$30 million Sweetwater Property and a \$38 million Gulfstream G-V jet aircraft. These purchases alone amounted to more than 680 times Nguema's annual income as a public official. As explained below, these asset purchases are entirely inconsistent with Nguema's legitimate income as a public official.

In addition to the Sweetwater Property and the Gulfstream jet, Nguema purchased at least 26 luxury automobiles and motorcycles in the United States, including:

- a 2006 Aston Martin,
- five Bentley automobiles,
- two Bugatti Veyron vehicles,
- seven Ferrari sports cars,
- a Lamborghini,
- a Maserati,
- two Mercedes automobiles,
- a Porsche Carrera GT,
- four Rolls-Royces,
- five Harley-Davidson motorcycles, and

- two Toiks Choppers.

The value of these automobiles and motorcycles was in or around \$12 million (worth more than 120 times Nguema's annual public salary). Nguema also (i) purchased a \$6 million home in Bel Air in 2001 (worth more than 60 times Nguema's annual public salary); (ii) acquired two 50-foot racing boats for over \$2 million in 2005 (worth more than 20 times Nguema's annual public salary); (iii) spent \$2,270,187.50 on various Michael Jackson memorabilia in 2010 (worth more than 22 times Nguema's annual public salary); and (iv) spent \$494,700 on additional Michael Jackson memorabilia in 2011 (worth nearly 5 times Nguema's annual public salary).

After acquiring the Sweetwater Property in 2006, Nguema also continued to wire millions of dollars into the United States to pay for the Sweetwater Property's maintenance and upkeep as well as for other expenses, including expensive vacations and yacht rentals. For instance between May and September 2009, Nguema wired \$609,300 to Yachtzoo, a company in Ft. Lauderdale, Florida, in connection with a luxury yacht rental. Similarly, during the Christmas holiday in 2005, Nguema spent in or around \$600,000 to rent a luxury yacht called the Tatoosh.

In addition to Nguema's asset purchases in the United States, Nguema acquired a luxury residence on Avenue Foch in Paris. This residence is located in the XVIth Arrondissement of Paris, one of the most expensive neighborhoods in the Western hemisphere. Nguema also acquired several additional luxury automobiles in France, including:

- a Ferrari Type 51 (acquired in 2000 for in or around approximately \$240,000),
- a Ferrari type 550 (acquired in 1998 for in or around \$199,675),

- a Bugatti Veyron (acquired in 2006 for in or around \$1,547,923),
- a second Bugatti Veyron (acquired in 2006 for in or around \$1,294,250),
- a Maserati Coupe F1 (purchased in 2005 for in or around \$106,128),
- a Maserati MC12 (acquired in 2005 for in or around \$917,623),
- a Maybach 62 (acquired in 2002 for in or around \$660,687) and
- a Rolls Royce Phantom Limousine (purchased in 2005 for in or around \$493,109).

In South Africa, Nguema purchased two pieces of real estate for approximately \$7 million (more than 70 times Nguema's annual public salary). In addition to these two properties, Nguema purchased still more luxury vehicles in South Africa, including two Bentley automobiles for approximately \$970,000 and a white 2005 6-litre Lamborghini Murcielago for approximately \$440,000.

On or about March 12, 2009, the City of London Police Economic Crimes Division informed the United States that Nguema was attempting to open a bank account in the United Kingdom. The bank account, according to the City of London Police, was to receive and hold \$350 million. These funds were expected to be transferred from an account in Spain, that was opened by a third-party nominee of Nguema. The City of London Police also reported that these funds were purportedly obtained through illegal means.

In or around June 2008, Nguema retained Kusch Yacht Projekte GmbH Am Hafen (Kusch) in Germany to design and build a \$380 million yacht (worth more than 3,800 times Nguema's annual public income). Nguema paid the company €200,000 in three segments on July 30, 2008; October 2, 2008; and October 31, 2008, for work completed in relation to the pre-design of this yacht.

Additional information responsive to this Interrogatory relating to Nguema's acquisition of assets in the United States and abroad may be ascertained from the

COMPLAINT and documents that have or will be produced by the Government, including DOJ_0000174-0000177; DOJ_0000183-188; DOJ_0000189-192; DOJ_0000193-198; DOJ_0000218-226; DOJ_0000237-240; DOJ_0000265-268; DOJ_0000269-272; DOJ_0000278-280; DOJ_0000281-284; DOJ_0000309-314; DOJ_0000342-345; DOJ_0000364-369; DOJ_0000378-383; DOJ_0000440-442; DOJ_0000447-449; DOJ_0000450-453; DOJ_0000454-456; DOJ_0000457-461; DOJ_0000462-463; DOJ_0000464-469; DOJ_0000470-476; DOJ_0000842-863; DOJ_0001049-1080; DOJ_0001441-1460; DOJ_1652-1904; DOJ_2041-2352; DOJ_00001905-2040; DOJ_2481-2549; DOJ_3005-3117; DOJ_3118-3515; DOJ_2427-2434; DOJ_2353-2426; SENATE-PSI-117457-118644; SENATE-PSI-124429-126128; SENATE-PSI-118,645-119,028; SENATE-PSI-107290-110260; SENATE-PSI-73109-100926; SENATE-PSI-120250-120265.

VII.
NGUEMA’S FALSE OR INCONSISTENT STATEMENTS
TO EXPLAIN HIS SOURCES OF INCOME AND WEALTH

Between 2004 and 2011, Nguema provided differing and inconsistent explanations as to the source of his personal income and wealth. In 2007, when asked by Comerica Bank in Los Angeles, Nguema’s representative Anne Morse advised the bank that Nguema was unemployed and that his income was derived from trading expensive automobiles and a family inheritance. Two years later in 2009, Nguema told officials at the United States Embassy (Embassy) in EG that other than his income as a public official, the source of his wealth was commercial logging operations performed by a Malaysian company in EG. Two years after that in 2011, Nguema changed his explanation yet again, claiming to Ambassador Alberto Fernandez, the United States’ then Ambassador to EG, that his personal wealth was derived from government infrastructure contracts.

1 Yet, on other occasions, Nguema could provide few, if any, specific details
2 as to the source of his income. For instance, in or about September 2004, City
3 National Bank in California requested Nguema identify the source of the funds that
4 were held in his closed CNB account in California. Nguema provided no details
5 other than to state that they were from one of two EG companies he owned—
6 Somagui Forestal or Sofona. Even when CNB refused to provide Nguema with his
7 funds and Nguema sued in California Superior Court, Nguema was still not able to
8 provide any details or any financial data relating to his purported commercial
9 activities and the source of his wealth.

10 Two years later in 2006, the same year that Nguema acquired the
11 Sweetwater Property, McAfee and Taft, an Oklahoma-based law firm and escrow
12 agent, repeatedly asked Nguema to provide details as to the source of his income in
13 connection with his attempt to purchase a Gulfstream aircraft for \$38.5 million.
14 Despite repeated attempts by McAfee and Taft attorneys to obtain this information
15 from Nguema and his lawyer, Nguema failed to respond. As a result, McAfee and
16 Taft refused to participate further in the transaction and returned all of Nguema's
17 funds in the escrow account.

18 Three years later in 2009, the staff of the United States Senate's Permanent
19 Subcommittee on Investigations (PSI) also contacted Nguema to obtain details as
20 to the source of his income and wealth in connection with their 2010 report on
21 foreign corruption. Despite being promised by Nguema's attorney that this
22 information would be provided, the PSI staff received no such information. That
23 same year, Nguema also claimed falsely to Anton K. Smith, the United States
24 Embassy's deputy chief of mission, that some of his wealth was due to the fact that
25 the value of the Sweetwater Property had doubled in value since he acquired it in
26 2006. But, in the period between 2006 and 2009, there is no evidence that the
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1 Sweetwater Property was ever valued at anything close to \$60 million, as Nguema
2 claimed.

3 Additional information responsive to this Interrogatory relating to Nguema's
4 inability to explain the source of his income and wealth may be ascertained from
5 the COMPLAINT and documents that have or will be produced by the
6 Government, including DOJ_0000584-592; SENATE-PSI-124429-126128;
7 SENATE-PSI-10216-110308; SENATE-PSI-101514-107289; SENATE-PSI-
8 119217-120245 .

9 **VIII.**
10 **NGUEMA'S CONTENTION THAT HIS EG COMPANIES**
11 **EARNED TENS OF MILLIONS OF DOLLARS LACKS CREDIBILITY**

12 Nguema's contention that his forestry companies in EG, Grupo Sofona
13 (Sofona) and Somagui Forestal (Somagui), generated tens of millions of dollars in
14 annual revenue lacks credibility. Nguema claims that he owns two companies in
15 EG—Sofona and its subsidiary Somagui. Sofona purportedly generated \$26.8
16 million in revenue from "exporting hard timber" in 1999; \$24.92 million in 2000;
17 and \$30.3 million in 2001. The International Monetary Fund's (IMF)
18 macroeconomic data for EG indicates that EG's entire forestry-related gross
19 domestic product (GDP) amounted to in or around \$45,022,970 in 1999;
20 \$41,134,751 in 2000; and \$38,575,268 in 2001.

21 If Nguema's financial representations are accurate, this would mean that
22 even though seventy-nine other individuals and companies also owned timber
23 concessions in EG, Sofona was singlehandedly responsible for generating 59.5
24 percent of EG's forestry-related GDP in 1999; 60.5 percent of EG's forestry-
25 related GDP in 2000; and 78.5 percent of EG's forestry-related GDP in 2001. It
26 would also mean that Sofona was responsible for singlehandedly exporting in or
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around 477,190 cubic meters of timber from EG in 1999; 432,575 cubic meters of timber in 2000; and 525,950 cubic meters of timber in 2001.

	SOFONA's Purported Annual Revenue	EG Forestry GDP	Percentage of EG Forestry GDP Allegedly Attributable to SOFONA
1999	\$26.8 million	\$45,022.970	est. 59.5%
2000	\$24.92 million	\$41,134,751	est. 60.5%
2001	\$30.3 million	\$38,575,268	est. 78.5%

Yet, despite Sofona's purported dominance of EG's forestry sector, and the inevitable commercial footprint that such a company would have in EG's commercial marketplace, international financial institutions and law enforcement authorities have been unable to find evidence of this company's actual operations and/or earnings. Moreover, despite being asked by business partners, associates, financial institutions, and foreign governments about the source of his income, Nguema has repeatedly failed to provide any specific details as to the source of his wealth, including Sofona's operations, personnel, financial data, profit margins, contracts, and/or business relationships.

Additional information responsive to this Interrogatory relating to Nguema's representations about Sofona and its dominance of the EG forestry sector may be ascertained from the COMPLAINT as well as documents that have or will be produced by the Government, including SENATE-PSI-122837-124428; DOJ_00001536-1651; DOJ_1314-1331.

IX.

**NGUEMA'S USE OF SHELL COMPANIES AND NOMINEES
TO ACQUIRE ASSETS AND OPEN BANK ACCOUNTS**

Between 2000 and 2011, Nguema created and used more than six shell companies to acquire assets, open bank accounts and transfer funds to conceal the source, origin and/or ownership of his assets and funds. Nguema opened accounts in the names of these shell companies as early as 2000. None of these shell companies engaged in any legitimate commercial or economic activity. Nguema's representatives frequently opened bank accounts at American financial institutions in the names of these shell companies without disclosing Nguema's association with these companies. Nguema's funds were then funneled through multiple accounts and multi-layered transactions. Nguema's utilization of these shell corporations, nominees and complex layered transactions served no business or commercial purpose other than to conceal the origin, ownership and/or source of his assets and funds in the United States.

For instance, between 2000 and 2004, Nguema had two accounts at Riggs National Bank (Riggs) in the names of TNO Entertainment LLC (account numbers 76-889-55 and 76-923-450). One of these accounts had a balance that fluctuated between \$17,000 and \$11.6 million. In addition, Nguema also had an account in the name of Awake, Ltd., a Bahamas corporation.

Nguema also formed at least six shell companies in California. These entities included:

- (viii) **Sweet Pink, Inc.** Nguema formed Sweet Pink, Inc. in 2005 and used it to open a bank account at Union Bank of California (UBOC) in September 2005. Sweet Pink was incorporated in California and listed George Nagler as its registered agent. Sweet Pink engaged in

1 no economic or commercial activity of any kind. Its only apparent
2 function was to conceal Nguema's association with this account from
3 UBOC. Nguema wired \$29,947.50 into Sweet Pink's account from an
4 EG bank account in the name of Somagui in or around October 19,
5 2005.

- 6 (ix) **Unlimited Horizon, Inc.** Nguema used Unlimited Horizon to open
7 Bank Accounts at UBOC, Commercial Capital Bank and Citibank in
8 Los Angeles. Unlimited Horizon is incorporated in California and
9 lists Michael Berger, another California lawyer, as its registered agent.
10 Unlimited Horizon did not engaged in any economic or commercial
11 activity. Its only apparent function was to conceal Nguema's
12 association with this account from American financial institutions. It
13 also served as a receptacle for Nguema and Michael Berger to funnel
14 money through layered transactions. Unlimited Horizon's
15 Commercial Capital Bank account received the following three wires
16 from EG: (i) a wire for \$19,946.25 from Somagui on or about
17 February 16, 2006; (ii) a wire for \$49,945 from Somagui on or about
18 March 23, 2006; and (iii) a wire for \$39,944.81 from SOCAGE on or
19 about June 16, 2006. Between November 24, 2006 and June 6, 2007,
20 Unlimited Horizon's UBOC account was the ultimate destination of
21 eight wires from Nguema, which were funneled through accounts
22 controlled by Berger at UBOC and Somagui at CCEI Bank in EG,
23 amounting cumulatively to approximately \$1,599,419. Between July
24 27, 2007, and November 6, 2007, Nguema funneled over a \$1 million
25 from EG through Berger's client trust account at Bank of America
26 (BOA) to Unlimited Horizon's account at Citibank. These funds were
27
28

1 used for the maintenance and upkeep of the defendant Sweetwater
2 Property.

3 (x) **Beautiful Vision, Inc.:** Nguema used Beautiful Vision to open bank
4 accounts at BOA. Berger was also listed as a signatory on the
5 accounts. Beautiful Vision did not engage in legitimate economic or
6 commercial activity of any kind. Its only apparent function was to
7 conceal Nguema's association with this account from BOA. Beautiful
8 Vision, Inc. was formed in California and listed Berger as its
9 registered agent. Between November 1, 2004, and November 2005, at
10 least \$1 million in funds originating from EG were funneled into
11 Beautiful Vision's accounts at BOA.

12 (xi) **Sweetwater Malibu, LLC.** Nguema formed Sweetwater Malibu
13 LLC in 2006 and used it to take title to the defendant Sweetwater
14 Property. Sweetwater Malibu did not engage in any economic or
15 commercial activity. Its only apparent function was to conceal
16 Nguema's ownership of the Sweetwater Property. Nguema opened
17 one account in 2006 using Sweetwater Malibu's name at California
18 National Bank. In or around June 12, 2006, Nguema wired \$249,899
19 to this account from EG.

20 (xii) **Sweetwater Management, Inc.** Nguema formed Sweetwater
21 Management in 2006 and used it to open three bank accounts at
22 California National Bank in 2006. Sweetwater Management was
23 incorporated in California and listed George Nagler as its registered
24 agent. Sweetwater Management did not engage in any economic or
25 commercial activity. Its only apparent function was to conceal
26 Nguema's association with this account from an American financial
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1 institution. This shell company was used to hire personnel to care for
 2 the defendant Sweetwater Property's maintenance and upkeep and to
 3 open an account, whose funds would be used for the maintenance and
 4 upkeep of the defendant Sweetwater Property.

5 (xiii) **TNO Entertainment, LLC**: Nguema used TNO Entertainment to
 6 open bank accounts at Riggs and City National Bank in or around
 7 March 2004. TNO Entertainment was formed in California and listed
 8 Adam Siegler as its registered agent.

9 (xiv) **Amadeo Oluy**. Nguema acquired substantial assets and engaged in
 10 commercial transactions using the alias—Amadeo Oluy. As
 11 explained above, in acquiring various items of Michael Jackson
 12 memorabilia, including the defendant Michael Jackson memorabilia,
 13 Nguema, through his personal assistant Wanda Kelly, asked that the
 14 auctioneer list Amadeo Oluy, rather than Nguema's actual name, on
 15 various invoices and billing sheets. Similarly, in dealing with Nor-
 16 tech, a boating company in N. Fort Myers, Florida, Nguema spent
 17 thousands of dollars in 2010 on various services related to his Nor-
 18 Tech Hi Performance Boats. In dealing with Nor-Tech, the invoices
 19 list Amadeo Oluy, rather than Nguema, as Nor-Tech's client.
 20

21 Additional information responsive to this Interrogatory relating to Nguema's
 22 formation and use of shell companies may be ascertained from the COMPLAINT
 23 and documents that have or will be produced by the Government, including
 24 DOJ_0000212-217; DOJ_0000218-226; DOJ_0000252-257; DOJ_0000285-288;
 25 DOJ_0000289-296; DOJ_0000470-476; DOJ_3516-3582; DOJ_3853-3913;
 26 DOJ_2353-2426; DOJ_00001093-1158; SENATE-PSI-122837-124428; SENATE-
 27 PSI-124429-126128; SENATE-PSI-73109-100926; SENATE-PSI-120250-
 28

1 120265; SENATE-PSI-120250-120265; SENATE-PSI-120374-122836; SENATE-
 2 PSI-72041-73108; SENATE-PSI-101000-101513; SENATE-PSI-70636-70717;
 3 SENATE-PSI-100927-100999.

4 X.

5 OTHER SUSPICIOUS CONDUCT IN 6 ACQUIRING AND MAINTAINING ASSETS

7 In addition to using shell companies and nominees to acquire assets and
 8 transfer funds, Nguema engaged in other practices that suggest that he was seeking
 9 to conceal the source, origin and/or ownership of certain assets and funds. In
 10 addition to opening accounts and actively moving funds in the name of shell
 11 companies and nominees, Nguema used third-party nominees to layer his
 12 transactions and move funds through multiple accounts to conceal the source,
 13 origin and/or ownership of his funds.

14 For instance:

- 15 • Nguema funneled money through Berger's attorney client trust account at
 16 BOA and UBOC to other accounts he controlled in the names of various
 17 California shell companies, including Unlimited Horizon. Specifically,
 18 Nguema wired funds from EG to Berger's trust accounts at BOA and
 19 UBOC. Berger, then, withdrew these funds, acquired cashier's checks with
 20 those funds, and deposited those checks into accounts held in the name of
 21 Unlimited Horizon at UBOC and Citibank. These funds were used for the
 22 maintenance and upkeep of the defendant Sweetwater Property.
- 23 • After Sweet Pink was formed in 2005, Christine Nguyen filed a false
 24 application with the IRS to obtain an EIN for the company. In so doing, she
 25 identified herself as the company's principal officer, general partner,
 26 grantor, owner, or trustor. Neither the company's articles of incorporation,
 27
 28

1 by-laws or other corporate documents identify Nagler or Nguyen as
2 retaining such authority within the corporation. Indeed, contrary to the false
3 representations on the IRS application, when faced with a Congressional
4 subpoena, Nagler explained in written responses provided to the PSI staff,
5 that Nguema—not Nguyen— was Sweet Pink’s “sole owner.”

- 6 • On or about May 23, 2006, Melinda DeHaven, Nguema’s personal assistant,
7 filed a false EIN application with the IRS for Sweetwater Management, Inc.,
8 claiming that she was the company’s principal officer, general partner,
9 grantor, owner, or trustor. Neither the company’s articles of incorporation,
10 by-laws or other corporate documents identify DeHaven as retaining such
11 authority within the corporation. Again, when faced with a Congressional
12 subpoena, Nagler explained in written responses provided to the PSI staff,
13 that Nguema—not DeHaven—served as the corporation’s “sole director,
14 President, Secretary and Chief Financial Officer.” The funds wired to this
15 shell company’s account at California National Bank were used for the
16 maintenance and upkeep of the defendant Sweetwater Property.

17 Additional information responsive to this Interrogatory relating to Nguema’s
18 formation and use of shell companies may be ascertained from the COMPLAINT
19 and documents that have or will be produced by the Government, including
20 DOJ_0000212-217; DOJ_0000285-288; DOJ_0000289-296; SENATE-PSI-
21 124429-126128; SENATE-PSI-73109-100926; SENATE-PSI-120250-120265;
22 SENATE-PSI-120374-122836; SENATE-PSI-72041-73108.
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XI.

**NGUEMA’S MISAPPROPRIATION, THEFT
AND EMBEZZLEMENT OF PUBLIC FUNDS**

**Nguema’s Abuse and Manipulation of Public Infrastructure Contracts to
Misappropriate Public Funds**

After oil was discovered in EG during the 1990s, EG invested hundreds of millions of dollars in building public infrastructure projects. In February 2003, at the age of thirty-three, Nguema was appointed by his father to the newly-created post of EG’s Minister of Infrastructure and Forests. Three years later, Nguema managed to wire more than \$68 million out of EG to acquire both the defendant Sweetwater Property and a \$38 million Gulfstream GV jet aircraft.

In an affidavit Nguema filed with the Cape Town High Court in South Africa on August 8, 2006, the same year that Nguema acquire the Sweetwater Property, Nguema acknowledged that he, like other EG cabinet ministers, bids on and benefits from obtaining government contracts awarded to them by his father’s government. In that affidavit, Nguema affirmed:

Cabinet Ministers and public servants in Equatorial Guinea are by law allowed to [own] companies that, in consortium with a foreign company, can bid for government contracts and should the company be successful, then what percentage of the total cost of the contract the company gets, will depend on the terms negotiated between the parties.

But, in any event, it means that a cabinet minister ends up with a sizeable part of the contract price in his bank account.

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One of the companies that I own is SOCIEDAD DE CARRETERAS DE GUINEA ECUATORIAL (“SOCAGE”), with a bank account at the CCEI BANK GE, in BATA, the commercial capital of [EG].

EG’s infrastructure and construction industry, which Nguema was responsible for regulating when he was EG’s Infrastructure Minister, is where

1 corruption is the most pronounced, according to a report drafted by Ambassador
2 Fernandez in 2011. EG's corruption exists in its "murkier transactions such as
3 sweetheart deals, influence peddling, construction contracts and finder's fees." On
4 March 21, 2011, Nguema met with Ambassador Fernandez and claimed that his
5 personal wealth was attributable to infrastructure contracts awarded to his private
6 businesses by the EG Government—the very industry that Ambassador Fernandez
7 concluded was where corruption was most prevalent in EG, and the same industry
8 that Nguema was in charge of regulating as Infrastructure Minister.

9 In 2009, Anton Smith, the United States Embassy's deputy chief of mission,
10 noted that he was also concerned that the awarding of public infrastructure
11 contracts in EG was particularly vulnerable to corruption. According to Smith, "It
12 is in these downstream, public expenditures that we lose visibility and in which the
13 greatest opportunities for corruption persist. Rumors abound of influence buying,
14 bid rigging and kickbacks" in EG. With respect to Nguema specifically, Smith
15 noted that Nguema "lives the life of an international playboy and is widely accused
16 of corruption."

17 Indeed, by March 2004, two years prior to Nguema's acquisition of the
18 Sweetwater Property, Africa Confidential, a U.K. based publication focusing on
19 Africa, reported that, "[Nguema] control[led] much of the infrastructure portfolio"
20 funded by the EG Government's oil revenues. Africa Confidential reported that:

21 The generals who had previously run lucrative cartels in consumer
22 imports, air and road transport, construction and cement etc. then had
23 to secure approval from [Nguema's Infrastructure] Ministry. He tried
24 to block merchandise coming in for [other EG officials and
25 businesses]. Compared by some to Iraq's late Uday Hussein,
26 [Nguema] expanded his empire rapidly and started pressuring French,
27 Spanish and other foreign companies.
28

1 Additional information responsive to this Interrogatory relating to Nguema's
2 involvement in EG's construction and infrastructure sector may be ascertained
3 from the COMPLAINT as well as documents that have or will be produced by the
4 Government, including DOJ_0000584-592; DOJ_688-718; DOJ_0001049-1080;
5 DOJ_1652-1904; DOJ_0000303-308; DOJ_0000315-321; DOJ_0000413-416;
6 DOJ_0000417-421; DOJ_0000422-425; DOJ_0000426-430; DOJ_0000431-434;
7 DOJ_0000834-837; DOJ_0000864-871; DOJ_00003853-3913; DOJ_0000946-
8 950.

9 **Nguema's Corrupt Relationship with General Work.**

10 General Work is a major construction company in EG specializing in large-
11 scale government infrastructure projects. Italian law enforcement authorities,
12 including officers of the Guardia di Finanzia (GdF), Italy's financial police,
13 reported that they believed that between 2000 and 2007 Nguema stole EG public
14 funds by funneling government revenue through General Work. General Work
15 was originally formed by two Italian nationals Giulio Cistaro and Giuseppe Vona
16 in 2001 and managed by Vona, Andrew Mannarino and Igor Celotti. Because of
17 Celotti's close relationship to President Obiang, General Work was awarded major
18 government infrastructure contracts in EG beginning in the early 2000s. By 2011,
19 General Work had become one of the largest construction companies in EG. The
20 GdF believed that 45 percent of the revenue earned by General Work in EG was
21 funneled as kickbacks to Nguema. During this same time period, Nguema
22 acquired the defendant Sweetwater Property, sent hundreds of thousands of dollars
23 from EG into the United States to fraudulently opened bank accounts for the
24 maintenance and upkeep of this property, and made tens of millions of dollars of
25 lavish expenditures and purchases.
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1 The Judicial Police Squad at the Procure in Udine, Italy identified a network
2 of bank accounts in Italy, Austria, Spain, Monte Carlo and Luxembourg controlled
3 by Nguema and his father. The GdF explained that they believed that these
4 accounts were derived from monies embezzled from the EG Government by
5 Nguema and President Obiang through infrastructure contracts awarded to General
6 Work by President Obiang.

7 In 2007, Celotti was killed in an airplane crash near Mongomo, a city on
8 EG's mainland. The GdF believed that the circumstances surrounding this crash
9 were suspicious. One month prior to his death, Celotti transferred his corporate
10 holdings, including 45 percent of General Work's equity, to his wife Anna Maria
11 Moro. After Celotti's death, Gimmy Ricci, another Italian businessman, was
12 appointed as General Work's new general manager. In addition to acquiring
13 managerial control of General Work, Ricci worked with Moro to form several
14 additional legal entities and companies to serve as receptacles for General Work's
15 ill-gotten revenue. The remaining equity in General Work was acquired by
16 Nguema's family. According to the GdF, Nguema's family provided no
17 compensation to other shareholders in exchange for their shares.
18

19 After Celotti's death in 2007, the GdF conducted an extensive investigation
20 into General Work and Celotti's financial affairs. In connection with this
21 investigation, the GdF interviewed former employees and associates of General
22 Work, including Cistaro and Vona. In addition, they performed a search of Moro's
23 residence in the Friuli region of Italy. Cistaro and Vona informed the GdF that
24 Nguema's family fraudulently assumed control of General Work. Based upon
25 their investigation, including an analysis of financial and banking records obtained
26 by the Gdf from Moro, Italian law enforcement authorities concluded that Nguema
27 and his father jointly owned and controlled a network of international bank
28

1 accounts that contained stolen government monies misappropriated from EG's
2 treasury through General Work's government construction contracts.

3 When Nguema was negotiating the purchase of the \$30 million defendant
4 Sweetwater Property, he sent and received faxes regarding this real estate
5 transaction from Celotti's office at General Work in EG. For instance, in or
6 around April 2, 2006, Nguema signed and faxed a copy of the Supplemental
7 Escrow Instructions, the Residential Lease After Sale, and the Addendum to the
8 Residential Lease After Sale—all pertaining to the purchase of the defendant
9 Sweetwater Property—to Nagler's office from a fax number in EG (00240)
10 084096. This EG fax number belonged to Celotti. Furthermore, in connection
11 with wiring funds from EG into the United States to support the maintenance and
12 upkeep of the Sweetwater Property, Michael Berger faxed a letter in or around
13 January 20, 2008, to Celotti's fax line in EG, stating, "Here is the information that
14 you need to wire transfer money to Unlimited Horizon, Inc., account at
15 Commercial Capital Bank." In this same letter, Berger detailed Unlimited
16 Horizon's bank account information, the address of Commercial Capital Bank in
17 Beverly Hills and the bank's telephone number and routing number.

18
19 Additional information responsive to this Interrogatory relating to the
20 relationship between Nguema and General Work may be ascertained from the
21 COMPLAINT and documents that have or will be produced by the Government,
22 including DOJ_0000303-308; DOJ_0000315-321; DOJ_0000413-416;
23 DOJ_0000417-421; DOJ_0000422-425; DOJ_0000426-430; DOJ_0000431-434;
24 DOJ_0000809-816; DOJ_00003853-3913; SENATE-PSI-86730; SENATE-PSI-
25 93976; SENATE-PSI-94046; SENATE-PSI-96238-96240.

1 **Nguema's Attempt to Misappropriate \$40 Million in Public Funds to Acquire**
2 **a Gulfstream Jet**

3 In 2004, two years before Nguema acquired the defendant Sweetwater
4 Property, Nguema contacted Gulfstream Aerospace Corporation (GAC) and
5 expressed interest in purchasing a \$40 million aircraft from GAC. Stephen Arnold
6 Fuller, GAC's regional vice president for Sub-Saharan Africa, recalled that
7 Nguema informed GAC that he intended to finance the purchase of this aircraft by
8 diverting \$40 million in public funds from the EG Government through an
9 American oil company.

10 Nguema told Mr. Fuller that he could and would pay for the \$40 million
11 aircraft with public funds by having an "American oil company" initially pay GAC
12 for the aircraft. EG would then, according to Nguema, "repay the American oil
13 company through credits to the company's local account in EG." In a letter dated
14 April 20, 2004, Fuller confirmed that Nguema was proposing to purchase from
15 GAC a Gulfstream 550 with misappropriated public funds. Mr. Fuller stated in
16 that letter:

17 [Nguema] is suggesting that [GAC] contact the Chairman of Ocean
18 Energy in Houston, Texas with regard to the Gulfstream 550. There
19 may be an advantage in assigning the Sales Agreement to Ocean
20 Energy and having that company assume the payment obligations for
21 the Gulfstream 550. In return, the Government [of EG] would issue a
22 Credit Memorandum to Ocean Energy for amounts payable in
23 connection with oil production.

24 Raymond Banoun, managing partner of Cadwalader, Wickersham & Taft,
25 LLP, a New York-based law firm, served as an attorney for GAC in connection
26 with this transaction. Like Mr. Fuller, Mr. Banoun recalled that in 2004, Nguema
27 represented to GAC that he would misappropriate EG public funds by (i) having
28 Ocean Energy, an American oil company, purchase the \$40 million aircraft and

1 “assume the payments on his behalf” and then (ii) “in return” have the “Equatorial
2 Guinea government [] issue a credit memo to Ocean Energy for monies connected
3 with oil production in Equatorial Guinea.”

4 Additional information responsive to this Interrogatory relating to Nguema’s
5 relationship and communications with GAC may be ascertained from the
6 COMPLAINT as well as documents that have or will be produced by the
7 Government, including DOJ_0000114-166; DOJ_0000388-393; SENATE-PSI-
8 119217-120245; SENATE-PSI-120318-120347; SENATE-PSI-124429-126128.

9 **Accusations of Direct Diversion of EG Public Funds**

10 In South Africa, George Ehlers, a South African businessman, filed a lawsuit
11 in the Cape Town High Court against the EG Government. In that litigation which
12 was filed in or around July 2005, less than one year prior to Nguema’s acquisition
13 of the Sweetwater Property, Ehlers alleged that the EG Government was in breach
14 of a \$7.8 million government infrastructure contract with his company,
15 Engineering Design and Construction Company. After the EG Government seized
16 some of his company’s assets in EG and refused to pay his company for its
17 services, Ehlers filed a lawsuit seeking to attach two homes valued at \$7 million
18 owned by Nguema in South Africa. The two homes were located at Erf 477
19 Clifton Ridge and Erf 303 Constantia in Cape Town. The funds used to purchase
20 these properties were wired into South Africa in 2004 from an account at CCEI
21 Bank in EG held in the name of Socage, an EG company owned by Nguema.

22 Ehlers alleged that because Nguema could not have afforded to purchase
23 these assets on his income as an EG public official, Nguema must have used funds
24 misappropriated from the EG Government to acquire and renovate these properties.
25 Indeed, even the contractors hired to renovate the property believed that these
26 assets were owned by the EG Government. In support of his lawsuit, Ehlers filed
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1 an affidavit executed by Patricia Fuller. Fuller recalled that she spoke with Peter
 2 McNamara, a contractor hired to renovate Nguema's property in Constantia.
 3 McNamara, according to Fuller, advised her that he had never heard of Nguema
 4 and that he was communicating with the EG Government about how to renovate
 5 the property. Furthermore, McNamara claimed that he was under the impression
 6 that the property belonged to the EG Government. McNamara submitted an
 7 invoice for in or around R 3,144,524 (approximately \$359,532) to Jacques Levy,
 8 an interior decorator in Switzerland, for his services relating to Nguema's house in
 9 Constantia. As McNamara had no knowledge of Nguema, and was receiving his
 10 instructions from the EG Government regarding the home's renovations, Ehlers
 11 alleged that the funds used to acquire and renovate these properties were
 12 misappropriated from the EG Government. Although Ehlers prevailed against
 13 Nguema before the trial court, an appellate court reversed that decision on other
 14 grounds.

15 Additional information responsive to this Interrogatory relating to Mr.
 16 Ehlers' lawsuit in South Africa may be ascertained from documents that have or
 17 will be produced by the Government, including DOJ_0000281-284;
 18 DOJ_0000464-469; DOJ_0001049-1080; DOJ_1652-1904; DOJ_0000890-893.
 19

20 **XII.**

21 **EXTORTION AND BRIBERY**

22 Beginning in the 1990s, Nguema, as described in the COMPLAINT,
 23 received and demanded that companies in E.G provide him with money or property
 24 in order to be able to maintain and operate their businesses. Nguema abused his
 25 authority and influence within the EG Government both as a member of the cabinet
 26 and President Obiang's eldest son to make these demands and to retaliate against
 27 those who refused to acquiesce.
 28

Extortion and Solicitation of Bribes from Forestry Companies

In 1998, at the age of 29, Nguema was appointed by his father to serve as EG's first-ever Minister of Forestry and Agriculture. Timber is EG's second largest and most valuable export commodity. Nguema's Forestry Ministry (Ministry) controls timber harvesting operations in EG. The Ministry also controls timber exports. In order to export timber from EG, Nguema requires that timber companies obtain an export authorization document that is personally signed by him. Timber companies incur expenses of up to \$5,000 per day if Nguema delays in signing these requests.

Extortion Payments and Bribes from Forestry Companies

Foreign timber executives claim that their companies were routinely required to pay bribes to Nguema in order to do business in EG. Foreign Policy Magazine quoted one timber executive as stating, "[Nguema] would call emergency meetings of all the logging company heads in which he would announce some new tax on logging operations." According to this executive, Nguema charged timber companies an extra so-called "tax" that they were forced to pay him personally for wood harvested in EG. Nguema purportedly charged timber companies directly per cubic meter of timber harvested by that company.

A French timber executive, identified as "Jean Michel" in this same Foreign Policy Magazine article, reported that Nguema seized the French logging company he worked for in EG. It was impossible, according to Jean Michel, for timber companies to do business in EG without paying bribes to Nguema. Although Jean Michel's company initially paid Nguema the bribes that he demanded, the EG military shut down this company's operations and expelled its personnel from EG after it refused to make any further bribe payments to Nguema.

1 Independent NGOs have also reported that Nguema extorts payments and
2 solicits bribes from timber companies in EG. For instance, a former United States
3 intelligence official, who was familiar with EG, reported to Global Witness, that
4 Nguema solicits and accepts bribes from Malaysian, North Korean and Chinese
5 timber companies. According to this intelligence official, “There were Malaysian,
6 North Korean, and Chinese logging camps on the mainland [of EG], and [Nguema]
7 collected cash from them . . . for logging operations, much of it involving valuable
8 hardwood.”

9 While Nguema solicits and collects bribes from foreign timber companies,
10 he also permits these same companies to violate EG’s forestry laws and
11 regulations. Indeed, according to representatives of the Environmental
12 Investigation Agency (EIA), an environmental NGO, corruption is pervasive in
13 EG’s forestry sector and some foreign timber companies, including Shimmer
14 International of Malaysia (Shimmer), are permitted illegally to harvest timber in
15 EG’s protected forests reserves.

16 Several independent NGOs, including Forest Monitor, Green Peace and the
17 World Rain Forest Movement, confirmed that Nguema does not enforce EG’s
18 forestry laws on some foreign timber companies, including Shimmer. For
19 instance, Shimmer engages in illegal logging in protected national forests in EG,
20 including Monte Alen, even though these forest reserves are protected from
21 industrial logging under EG’s Forestry Law. Greenpeace reported that in 2004,
22 “Enforcement of legal requirements is virtually non-existent in commercial
23 logging” in EG. Similarly, Forests Monitor, a U.K. NGO, concluded in 2001 that,
24 “[i]n practice, enforcement of all the various legal requirements [in EG’s forestry
25 sector] is virtually non-existent.”
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1 Likewise, while Nguema held the position of Forestry Minister, some timber
2 companies were permitted to overcut EG's forests. Although EG's Forestry Law
3 places limits on how much timber can be harvested by concessionaires and
4 requires these entities to process 60 percent of their timber in EG, many timber
5 companies, including Shimmer, were operating in violation of these rules.
6 According to a United States Forest Service ranger, who visited EG between July
7 31, 2004, and August 15, 2004, "[i]t is clear that in some areas that [EG] forests
8 [were] being overcut." Similarly, EIA representatives confirmed that Shimmer, the
9 dominant timber company in EG, was permitted to illegally export the bulk of its
10 raw timber to China without processing it domestically.

11 Additional information responsive to this Interrogatory relating to Nguema's
12 control of EG's forestry sector and his solicitation of bribes and extortion
13 payments from timber companies may be ascertained from the COMPLAINT and
14 documents that have or will be produced by the Government, including
15 DOJ_0000408-412; DOJ_0001049-1080; DOJ_0000842-863; DOJ_0000614-615;
16 DOJ_975-1048; DOJ_758-777; DOJ_778-789.

17 **Nguema's Relationship with Shimmer International**

18
19 Nguema reportedly maintains a close working relationship with Shimmer
20 that benefits him personally. While Nguema was its head, EG's Forestry Ministry
21 awarded Shimmer substantial forestry concessions. Shimmer was the largest and
22 most dominant forestry company in EG. Indeed, in 2006, the same year that
23 Nguema purchased the Sweetwater Property, Shimmer was responsible for more
24 than 66 percent of the timber harvested in that country. According to a former
25 U.S. intelligence official who spoke with Global Witness, Nguema solicited and
26 collected bribes from Shimmer in EG.
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1 Nguema confirmed to U.S. diplomats at the Embassy in 2009 that he
2 permitted a Malaysian company to deploy 40 teams of well-equipped lumberjacks
3 to “clear cut” a “large tract of pristine continental jungle” that was “granted” to
4 him by the EG Government. Nguema then purportedly earned a “large windfall”
5 by exporting this raw timber to Asia. It is illegal under EG’s Forestry law to
6 permit this type of “clear cut[ting].” EG law also requires timber concessionaires,
7 like Nguema, to process domestically a minimum of 60 percent of the raw timber
8 they harvest from their concessions. Nguema, however, exported his raw timber as
9 “whole logs” to Asia. Although it was Nguema’s responsibility as EG’s Forestry
10 Minister to enforce these laws, Nguema explained to U.S. diplomats that this
11 illegal “windfall” was the source of his personal wealth.

12 Additional information responsive to this Interrogatory relating to Nguema’s
13 relationship with timber companies, including Shimmer, may be ascertained from
14 the COMPLAINT as well as documents that have or will be produced by the
15 Government, including DOJ_0000408-412; DOJ_0001049-1080; DOJ_975-1048;
16 DOJ_778-789.

17 **British Hotel Company**

18 In or around 2003, a British company sought permission to build a Sheraton
19 hotel in Malabo, EG’s capital city located on Bioko Island. According to Simon
20 Kareri, a Riggs Bank vice president, Nguema refused to permit the British
21 company to build the Malabo hotel unless its executives agreed to provide him
22 with 55 percent of the hotel’s equity. When the British company refused, their
23 hotel project was not allowed to go forward. Nguema purportedly accompanied
24 representatives of this British company to Nguema’s Los Angeles home to engage
25 in negotiations about this hotel.
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1 Additional information responsive to this Interrogatory relating to this
2 British company may be ascertained from documents that have or will be produced
3 by the Government, including DOJ_000080-87.

4 **G.E. Petrol**

5 G. E. Petrol is EG's state-owned oil company. According to Kareri, when
6 he was employed at Riggs prior to 2005, G.E. Petrol was still "run by the First
7 Family" of EG and Nguema was the company's "*patron*." In Spanish, which is
8 one of EG's official languages, the word "*patron*" means "master" or "boss."
9 Even though Nguema "flunked high school and does not know how to do
10 anything," according to Kareri, Nguema controlled G.E. Petrol as its "*patron*".
11 Kareri stated that "the big money from the [foreign] oil companies is being paid to
12 the First Family through joint venture projects in EG" and that corrupt payments
13 were disbursed by G.E. Petrol to "so-called oil brokers" controlled by Nguema's
14 family. These brokers, according to Kareri, make further profits for Nguema's
15 family by purchasing oil from G.E. Petrol at discounted rates.

16 According to Kareri, Nguema's family "may be skimming money from the
17 sale of [EG's] share of oil produced by the oil companies in EG." Nguema,
18 according to Kareri, often made remarks to him suggesting that he is GE Petrol's
19 "*patron*." On one occasion, Kareri recalled that G.E. Petrol requested that he
20 divert directly a certain percentage of EG's oil revenue to an account controlled by
21 G.E. Petrol. Kareri refused.

22 Similarly, as explained above at Section XI(B), Nguema represented to GAC
23 that he possessed both the ability and the intent to misappropriate public funds
24 from the EG treasury relating to oil production. Specifically, he claimed that he
25 could provide an American oil money with a \$38.5 million "credit memorandum"
26 derived from public funds to acquire a personal asset for himself.
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1 Kareri and Nguema purportedly had a close business and personal
2 relationship. Nguema consulted Kareri frequently about both financial and
3 personal issues, including “personal problems” Nguema had with his father.
4 Kareri commented to his wife, that it was unfortunate that Nguema was “blowing”
5 the money from EG.

6 Additional information responsive to this Interrogatory relating to G.E.
7 Petrol may be ascertained from documents that have or will be produced by the
8 Government, including DOJ_000038-94 and DOJ_0000241-244.

9 **Foreign Oil Companies**

10 Walter International (Walter) was a Houston-based oil company operating in
11 EG. In 1991, Nguema enrolled at Pepperdine University’s English language
12 program in Malibu, California. According to Ambassador John Bennett, a former
13 United States Ambassador to EG during the early 1990s, Nguema’s Pepperdine
14 tuition and expenses were fully paid for by Walter. Elisa Wax, a Pepperdine
15 employee, recalled that Pepperdine received a “steady stream of phone calls from
16 the Beverly Wilshire [Hotel] and shops in Beverly Hills trying to track down
17 [Nguema] to settle outstanding bills.” Wax would direct these calls to Walter
18 International. Ambassador Bennett recalled that Nguema incurred, and Walter
19 paid, \$50,000 in expenses while attending Pepperdine in California.
20

21 In November 2009, Global Witness reported that Nguema received corrupt
22 payments from Elf-Acquitaine, a French oil and gas company. In 2004, thirty
23 senior executives of Elf Acquitaine were charged and convicted in France of
24 distributing bribes and kickbacks in Africa over a period of several decades.

25 A confidential source (“CI 3”), who spoke with federal agents in Miami,
26 Florida, also confirmed that it was his/her belief that Nguema controls the oil
27 industry in EG and that he derives his wealth from illegal activities in EG,
28

1 including the distribution of counterfeit cigarettes, diamond smuggling and
2 monetary kickbacks in the form of contracts from United States oil companies
3 operating in EG.

4 Another confidential source (CI 2), who spoke with federal agents and was a
5 former employee of Nguema in Los Angeles in or around 2006, the same year that
6 Nguema acquired the Sweetwater Property, recalled that Nguema told him/her that
7 the source of his wealth was related to EG's oil resources. CI 2 was an employee
8 of Nguema who worked at the defendant Sweetwater Property. Even though
9 Nguema holds no official position within the EG Government related to the oil
10 industry, CI 2 recalls seeing three "oil officials" meet with Nguema at the
11 Sweetwater Property during the second week of November 2006.

12 Additional information responsive to this Interrogatory relating to Nguema's
13 relationship with the oil and gas industry may be ascertained from documents that
14 have or will be produced by the Government, including DOJ_0000114-0000166;
15 DOJ_0000241-244; DOJ_0000265-268; DOJ_0000388-393; DOJ_0000394-398;
16 DOJ_0000842-863; DOJ_0001049-1080; SENATE-PSI-119217-120245;
17 SENATE-PSI-120318-120347; SENATE-PSI-124429-126128.
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19 **Michael Chevaly**

20 An individual named Michael Chevaly allegedly smuggles various
21 fraudulently manufactured consumer goods into Cameroon, Nigeria, Benin, Niger,
22 Chad, Sierra Leone, Liberia, Guinea-Conakry and Gabon. In so doing, Chevaly
23 purportedly uses routes through EG, Niger and Benin to smuggle this merchandise.
24 CI 3 informed federal agents that Nguema possesses a business relationship with
25 Chevaly relating to this illegal conduct. Additional information responsive to this
26 Interrogatory relating to the relationship between Nguema and Chevaly may be
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1 ascertained from documents that have or will be produced by the Government,
2 including DOJ_0000246-251.

3 **XIII.**

4 **NGUEMA'S FRAUD AGAINST U.S. BANKS**

5 Between 2004 and 2008, Nguema, as described in the COMPLAINT,
6 orchestrated, participated in and implemented a scheme fraudulently to open and
7 use bank accounts at six financial institutions in California in order to
8 surreptitiously funnel millions of dollars into the United States from EG, while
9 concealing his association with the accounts, the source of funds, and his status as
10 an EG cabinet minister and son of the President. During this period, Nguema
11 fraudulently opened at least ten bank accounts at six financial institutions in
12 California, including Bank of America (BOA), Union Bank of California (UBOC),
13 Commercial Capital Bank, California National Bank (CNB), Comerica Bank, and
14 Citibank.

15 Beginning in 2004, after the PSI published its report on money laundering
16 on July 15, 2004, Nguema was on notice that banks in the United States were
17 uncomfortable opening bank accounts for him. The PSI's 2004 money laundering
18 report criticized Riggs for its handling of Nguema's family's funds, including
19 those of Nguema. Further, Riggs was ultimately convicted and ordered to pay a
20 criminal fine of \$16 million, as well as \$25 million in civil penalties, for its non-
21 compliance with U.S. anti-money laundering controls.

22 Just two weeks after the PSI's report was published, City National Bank in
23 Los Angeles was contacted by Nguema after the bank had closed his personal bank
24 account. When he called the bank on July 30, 2004, Nguema told a bank employee
25 that he thought his account had been closed "due to [his] country and the oil." In
26 addition to closing his accounts, City National Bank refused to return \$699,691.02
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1 of Nguema's funds to him and requested that the California Superior Court for the
2 County of Los Angeles allow the bank to release these funds to the court, rather
3 than Nguema, for ultimate resolution.

4 Beginning in 2004, Nguema, Michael J. Berger and George Nagler opened
5 bank accounts in California in the names of various shell companies, including
6 Sweet Pink, Inc., Unlimited Horizon, Inc., Beautiful Vision, Inc., and Sweetwater
7 Management, LLC, without disclosing Nguema's ownership of the companies or
8 their funds and concealing his status as a Senior Foreign Public Figure (SFP) and a
9 Politically-Exposed Person (PEP). Nguema and his intermediaries, including
10 Berger and Nagler, then transferred funds received from Nguema into these
11 fraudulently opened bank accounts in the United States. In opening numerous
12 California bank accounts and using intermediaries' accounts, Nguema, Berger and
13 Nagler intentionally and deliberately concealed from these financial institutions
14 Nguema's association with these bank accounts as well as his status as a SFP and a
15 PEP.

16 Nguema used many of the funds in these fraudulently opened accounts for
17 the maintenance and upkeep of the defendant Sweetwater Property, a \$30 million
18 mansion he purchased in Malibu in 2006. Funds were used to pay for, among
19 other things, the salaries of Nguema's household staff. These staff persons worked
20 at the Sweetwater Property and aided Nguema, at his direction, in executing this
21 fraudulent scheme. These funds were also used to maintain an office at the
22 Sweetwater Property for Nguema and his employees and associates to perpetuate
23 and oversee this scheme; the professional and administrative services of various
24 lawyers, accountants, and property managers, including Berger and Nagler; costs
25 incurred by Nguema's household staff relating to this scheme; and the costs and
26 fees of the Sweetwater Property, where Nguema and his household staff
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1 maintained their business office for their shell companies and where much of the
2 conduct described at paragraphs 117-209 of the COMPLAINT were planned,
3 coordinated, and occurred.

4 Nguema repeatedly concealed from banks in California his ownership of the
5 funds in these accounts by using shell companies formed to hide his identity and
6 by using various third-party nominees, including Michael Berger and George
7 Nagler, who both allowed Nguema to use their client trust accounts to pay for
8 personal expenses. After each of these banks discovered Nguema's association
9 with the accounts, the banks closed each account.

10 **Bank of America.** On or about October 12, 2004, Nguema fraudulently
11 opened two accounts in the name of Beautiful Vision, a California company. No
12 banker looking at the documents and information provided to Bank of America
13 (BOA) by Berger and Nguema could have identified Nguema as being the owner
14 of Beautiful Vision, nor could they have readily identified the account as one
15 affiliated with a SFP and/or a PEP. BOA closed the Beautiful Vision accounts in
16 or around September 12, 2005, and September 15, 2005, respectively, after
17 discovering that Nguema, a SFP and a PEP, was associated with Beautiful Vision,
18 Inc.
19

20 **Union Bank of California.** On or about September 15, 2005, three days
21 after BOA closed Nguema's Beautiful Vision account, Nagler formed Sweet Pink,
22 Inc. for Nguema. On or about September 29, 2005, UBOC opened a checking
23 account for Sweet Pink using an EIN obtained by Nagler's assistant. The
24 signatories on the account were Eve Jeffers, Nguema's then-girlfriend, and four
25 employees of an accounting firm owned by Marvin Freedman that had been
26 retained by Nguema. On the bank account opening documents, Marvin
27 Freedman's business address is listed as Sweet Pink's address. No banker looking
28

1 at the documents and information provided by Nagler could have identified
2 Nguema, as being the owner of Sweet Pink, nor could they have identified the
3 account as one affiliated with an SFP and a PEP. Approximately eight days later,
4 on or about October 27, 2005, UBOC discovered that Nguema was using the Sweet
5 Pink account to gain access to the U.S. banking system and closed Sweet Pink's
6 account. This was the third time in less than fifteen months that a California bank
7 closed an account after learning of Nguema's association with the account.

8 **Commercial Capital Bank.** On or about December 7, 2005, less than two
9 months after UBOC closed Nguema's Sweet Pink account, Berger opened an
10 account at Commercial Capital Bank in the name of Unlimited Horizon, Inc.
11 Berger caused Unlimited Horizon to be incorporated in California on October 21,
12 2005. No banker looking at the documents and information provided by Berger
13 and Nguema could have identified Nguema as being the owner of Unlimited
14 Horizon, nor could they have identified the account as one affiliated with an SFP
15 and a PEP. On or about June 22, 2006, Commercial Capital Bank closed
16 Unlimited Horizon's account. This was the fifth account in less than two years
17 closed by a California bank after discovering its association with Nguema.

18 **California National Bank.** On or about May 16, 2006, after Nguema had
19 acquired the Sweetwater Property in April 2006, Nagler formed another company
20 for Nguema called Sweetwater Management, Inc. Sweetwater Management was
21 purportedly formed to employ and to pay individuals working to maintain the
22 Sweetwater Property. In or around May 30, 2006, Edward Mizrahi, Nguema's
23 estate manager, opened an account at this bank in the name of "American Equity
24 Properties, DBA: American Property MGMT ITF: Sweet Water Malibu" ("AEP
25 Account"). The estate manager concealed Nguema's involvement with the account
26 as well as Nguema's status as a SFP and a PEP. He identified the owner of
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1 Sweetwater Malibu, LLC as a “high profile” person who wanted to remain
2 confidential. The following day, on or about May 31, 2006, Nguema’s personal
3 assistant Melinda DeHaven opened three additional business accounts at CNB in
4 the name of Sweetwater Management, Inc. On or about June 22, 2006, the bank
5 closed all four accounts after learning that these accounts were associated with
6 Nguema.

7 **Union Bank of California.** On or about August 28, 2006, two months after
8 Unlimited Horizon’s account at Commercial Capital Bank was closed and
9 Nguema’s four accounts at CNB were closed, Berger opened two Basic Business
10 Checking Accounts in the name of Unlimited Horizon, Inc. at a UBOC branch in
11 Beverly Hills. Berger identified himself to UBOC as Unlimited Horizon’s
12 president, and was the sole signatory on both UBOC accounts. Berger again
13 concealed material information from UBOC, including Nguema’s association with
14 Unlimited Horizon, as well as Nguema’s status as a SFP and a PEP. No banker
15 looking at the documents and information provided to UBOC by Nguema and
16 Berger, could have identified Nguema as being the owner of these accounts, nor
17 could they have identified the account as one affiliated with an SFP and a PEP.
18 After opening these accounts, Berger explained to Nguema in an email dated on or
19 about November 1, 2006, that future wires should be sent “to my new client trust
20 account at [UBOC]. I will transfer it from there to the Unlimited Horizon, Inc.
21 General Account. I will send you a separate e-mail and fax requesting a \$200,000
22 wire transfer and providing wire transfer information for this new account.” Upon
23 receiving these wires in his client trust accounts, Berger withdrew these funds and
24 deposited them into Unlimited Horizon’s UBOC accounts in the form of checks
25 and bank drafts. Between November 29, 2006 and May 11, 2007, Berger
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1 deposited seven checks totaling \$1,399,485 into Unlimited Horizon's UBOC
2 accounts, after withdrawing these funds as "cash" from his client trust account.
3 On or about June 12, 2007, after an investigation by UBOC discovered that Berger
4 represented Nguema, an SFP and a PEP, and that Berger was using corporate
5 vehicles to "disguise the identity of" Nguema to pay for the Sweetwater property
6 and Nguema's living expenses, UBOC closed all three accounts.

7 **Comerica Bank.** On or about February 6, 2007 -- eight months after CNB
8 closed Nguema's four accounts -- Nguema applied to open a bank account at
9 Comerica Bank on the Avenue of the Stars in Los Angeles. On this occasion,
10 Nguema directed his representative Anne Morse to open an account in his name
11 and to identify himself as an EG citizen to the bank, but he nonetheless concealed
12 from Comerica the fact that he was a PEP and an SFP. When asked explicitly
13 whether Nguema "ever performed important public functions for a foreign state
14 (PEP)?" Nguema's representative answered in the negative. When asked whether
15 Nguema was "closely associated with person(s) who perform public functions for a
16 foreign state (PEP)?" the representative again answered in the negative. On or
17 about March 22, 2007, Comerica closed this account after the bank's compliance
18 personnel discovered that Nguema, in fact, was a PEP and an SFP.
19

20 **Citibank.** On or about June 25, 2007, approximately thirteen days after
21 UBOC closed Nguema's accounts, Berger opened another account in the name of
22 Unlimited Horizon at a Citibank branch in Beverly Hills. During the account-
23 opening process, Berger deliberately hid Nguema's ownership of the account by
24 telling a Citibank banker that the true owners of the Citibank account were U.S.
25 citizens, when, in fact, Nguema a non-U.S. citizen and a SFP was the account's
26 true owner.
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Over the course of the next five months, Nguema transferred over \$1 million directly from EG into Berger's client trust account. Berger, in turn, transferred these funds into Unlimited Horizon's Citibank account. In an email dated on or about December 7, 2007, Berger confirmed with Nguema, "I know that all payments [from the Citibank account] must be approved by you . . . I understand the importance of the principle. This e-mail will reconfirm that I will only pay bills approved by you." On or about May 20, 2008, after uncovering Nguema's association with Unlimited Horizon and this account, Citibank closed Unlimited Horizon's account.

Additional information responsive to this Interrogatory and the Government's allegations of domestic bank fraud may be ascertained from the COMPLAINT, as well as documents that have or will be produced by the Government, including DOJ_0000212-217; DOJ_0000227-236; DOJ_0000252-257; DOJ_0000258-260; DOJ_0000261-264; DOJ_0000285-288; DOJ_0000289-296; SENATE-PSI-000070636-70717; SENATE-PSI-000072041-73108; SENATE-PSI-73109-100926; SENATE-PSI-0000100927-100999; DOJ_0000101000-101513; SENATE-PSI-0000101514-107289; SENATE-PSI-SENATE-PSI-110261-110308; SENATE-PSI-0000120246-249; SENATE-PSI-000120250-120265; SENATE-PSI-120374-122836; SENATE-PSI-124429-126128.

Proceeds of Bank Fraud Used for Maintenance and Upkeep of the Sweetwater

Property: The funds deposited and funneled through Nguema's fraudulently opened bank accounts were used to, among other things, pay for the maintenance and upkeep of the defendant Sweetwater Property. In disbursing funds from these fraudulently opened bank accounts, Nguema specifically ordered and/or approved the disbursement of funds to various vendors and payees relating to the maintenance

1 and upkeep of the Sweetwater Property. Indeed, Berger was not permitted to
2 disburse any funds belonging to Nguema in these accounts unless he first received
3 a check approval form that was signed personally by Nguema.

4 Nguema used the funds in his Unlimited Horizon account at UBOC to
5 support, maintain and enhance the Sweetwater Property, including, among other
6 things, paying in or around \$54,000 per month for home security services; \$10,000
7 per month in electricity bills; \$8,000 per month in phone bills; \$73,649.95 in
8 property taxes; \$6,875 for the installation of a sauna; more than \$10,000 for home
9 theater equipment; more than \$4,000 for home insurance; more than \$12,000 in
10 landscaping fees; more than \$36,000 in tree care-related fees; and more than
11 \$30,000 per month in payroll for his household staff, including estate managers,
12 maintenance crews, and housekeepers.

13 Similarly, Nguema's fraudulently opened Citibank account held in the name
14 of Unlimited Horizon was also used for the maintenance and upkeep of the
15 Sweetwater Property. Specifically, these funds were used to pay for expenses,
16 including, among other things, approximately \$54,000 per month on the home's
17 security detail, over \$9,000 per month on the power bill to Southern California
18 Edison, over \$5,000 per month on the home's water bill to Los Angeles County
19 Waterworks, \$37,000 on landscaping costs, \$3,773 on maintenance for the home's
20 fish tank, \$24,700 on outdoor landscape lighting, \$7,577 for the "Fish Physician"
21 in connection with the home's Koi pond, \$9,600 on audio-video equipment, \$1,304
22 for swimming pool maintenance, and thousands of dollars for home furniture and
23 decorations.
24

25 Additional information responsive to this Interrogatory may be ascertained
26 from the COMPLAINT, as well as documents that have or will be produced by the
27 Government, including DOJ_0000212-217; DOJ_0000227-236; DOJ_0000252-
28

257; DOJ_0000258-260; DOJ_0000261-264; DOJ_0000285-288; DOJ_0000289-
 296; DOJ_0000470-476; SENATE-PSI-000070636-70717; SENATE-PSI-
 000072041-73108; SENATE-PSI-73109-100926; SENATE-PSI-0000100927-
 100999; DOJ_0000101000-101513; SENATE-PSI-0000101514-107289;
 SENATE-PSI-SENATE-PSI-110261-110308; SENATE-PSI-0000120246-249;
 SENATE-PSI-0000250-120265; SENATE-PSI-120374-122836; SENATE-PSI-
 124429-126128.

XIV. EVIDENCE OF CURRENCY REPORTING VIOLATIONS

Several former employees of Nguema reported that Nguema and/or his
 employees carried a bag “stuffed with stacks of fresh \$100 bills” when he travelled
 in and out of the United States. A confidential source (CS 1), who was a former
 employee of Nguema in California, reported that two EG nationals employed by
 Nguema—Emmanuel Asamoah and Charles Annan—were responsible for carrying
 a Louis Vitton briefcase. This brief case, according to CS 1, is brought into the
 United States with Nguema and is filled with approximately \$500,000 to pay for
 Nguema’s bills and personal expenses. Another confidential source (CS 2), who
 was also a former employee of Nguema in California, recalled that two EG
 nationals Joseph Otbo and Moses Hilorsi were responsible for carrying a suitcase
 for Nguema that contained approximately \$1 million in cash. Nguema does not
 report this currency when he enters the United States, as is required by 31 U.S.C. §
 5316. Additional information relating to Nguema’s transportation of bulk cash into
 and out of the United States is available in documents produced by the Government,
 including but not limited to DOJ_0000178-182; DOJ_0000183-188; DOJ_0000842-
 863.

**XV.
EG GOVERNMENT IS INTERNATIONALLY
RECOGNIZED AS A KLEPTOCRACY,
BENEFITTING NGUEMA'S FAMILY AND ASSOCIATES**

As described in the COMPLAINT, EG's Government, President Obiang's Inner Circle and Nguema in particular have been criticized widely by the United States and foreign governments, multilateral organizations, independent non-governmental organizations (NGOs), and the international media as being among the most corrupt and repressive governments in the world.

United States Government Officials and Reports Identify Nguema as Part of an EG Government Marked by Widespread, Senior-Level Corruption

Between 1998 and 2011, the United States Department of State has published official reports repeatedly identifying senior-level public corruption as pervasive within President Obiang's administration. In a United States Embassy cable drafted by Anton Smith in 2009, Smith confirmed that most EG cabinet ministers:

continue to moonlight and conduct businesses that often conflate their public and private interests. . . The custom of simultaneously maintaining both official and private activities that became entrenched in the era of skinny cows has not been altered for the fat ones. There is public grumbling but little internal pressure to change the rules. Nonetheless, occasionally lines do get crossed.

In that report, Smith specifically identified Nguema and his mother Constancia Obiang as direct beneficiaries of this type of corruption.

U.S. Ambassadors and officials who have lived in and worked in EG also report that corruption within Nguema's father's government benefits senior public officials, like Nguema. Former United States ambassadors to EG recall that public corruption is widespread within President Obiang's government and that it

1 frequently utilizes torture and other instruments of political repression to maintain
2 political dominance in EG. Frank Ruddy, a former United States ambassador to
3 EG during the Reagan administration, told the Los Angeles Times that,
4 “[President] Obiang is a thief and he heads a government of thieves.” In addition
5 to serving as ambassador to EG, Ruddy served formerly as general counsel of the
6 United States Department of Energy and an assistant administrator of the United
7 States Agency for International Development. Similarly, Ambassador Bennett
8 described Equatorial Guinea as “the world’s finest example of a country privatized
9 by a kleptomaniac without a scintilla of social consciousness.” Ambassador
10 Bennett, who served as ambassador to EG between 1991 and 1994, was a career
11 foreign service officer, who served formerly as a senior official at United States
12 diplomatic missions in Mexico, Nigeria, Germany and Spain.

13 The State Department’s annual human rights reports on EG, which are
14 published by the Bureau of Democracy, Human Rights and Labor online at
15 <http://www.state.gov/j/drl/rls/hrrpt>, has commented repeatedly that public
16 corruption, as well as the use of torture, is widespread within the EG Government.
17 For instance, in 2006, the same year that Nguema acquired the \$30 million
18 Sweetwater Property, the State Department concluded that “All branches of
19 government [in EG] are dominated by President [Obiang] and his inner circle” and
20 that “[o]fficial corruption in all branches of the government remained a serious
21 problem.” In 2008, the State Department described how anti-corruption laws were
22 not enforced in EG against public officials and that “[EG] officials frequently
23 engaged in corrupt practices with impunity.” In 2009, the State Department
24 confirmed that “[President Obiang] and members of his inner circle continued to
25 amass huge personal profits from the oil windfall” and that EG public officials
26 continued to “frequently engage[] in corrupt practices with impunity.”
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1 **Nguema and His Family Are the Subject of Multiple Criminal Investigations**
2 **for Corruption in Europe**

3 Nguema and his family members were the subject of criminal corruption and
4 money laundering investigations in France, Spain and Italy. Nguema's conduct
5 and the source of his wealth are directly implicated in the French and Italian
6 investigations. All three criminal investigations commenced between 2007 and
7 2008, within one or two years of Nguema's acquisition of the Sweetwater
8 Property. All three investigations remained open as of April 28, 2011.

9 **France**

10 In March 2007, three French NGOs—Sherpa, Serpie, and the Federation of
11 the Congolese Diaspora—filed a complaint with French prosecutors, alleging that
12 Nguema's family acquired substantial assets with stolen public monies. On July 9,
13 2008, Transparency International France, a French NGO, filed a complaint with
14 French prosecutors requesting that they investigate whether Nguema's family used
15 stolen public monies from EG to acquire assets in France.

16 Judges Roger Le Loire and Rene Grouman were then appointed to
17 investigate these allegations. In 2009, the French media reported that Judges Le
18 Loire and Grouman had identified and were investigating Nguema's acquisition of
19 several assets in France, including his luxury residence on Avenue Foch in Paris
20 and several valuable automobiles worth a total of \$6.2 million. France's anti-
21 money laundering agency, Tracfin, concluded, according to a report by Global
22 Witness, a U.K. NGO, that the funds used by Nguema to acquire these
23 automobiles, including two Bugatti luxury vehicles, were "likely to be the
24 laundered proceeds of misappropriated public funds." United States law
25 enforcement authorities met with the French Judicial Police in September 2007 to
26 discuss the French investigation. Since that time, United States law enforcement
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1 authorities have continued to have communications with French law enforcement
2 authorities regarding their investigation, including on March 19, 2011, when an
3 ICE representative met with the head of the French National Police's money
4 laundering unit. France's criminal investigation of Nguema remains active.

5 Spain

6 In December 2008, Asociacion Pro Derechos Humanos de Espana
7 (APDHE), a Spanish human rights NGO, filed a complaint with anti-corruption
8 prosecutors in Spain. The complaint alleges that EG's Inner Circle diverted and
9 misappropriated public funds from the EG Government to acquire personal assets
10 in Spain. According to this complaint, Nguema's family illegally embezzled
11 approximately \$26 million from an EG state agency to acquire and maintain
12 substantial real estate holdings in Spain. These funds were purportedly laundered
13 through various American and Spanish banks. Additionally, according to APDHE,
14 Nguema's family abused their political power within EG to (i) obtain direct equity
15 holdings in the enterprises of foreign companies for little or no consideration; (ii)
16 rig public procurement, construction, and licensing contracts tainted by conflicts of
17 interest; (iii) receive off-the-books secret contributions from foreign companies for
18 scholarships and educational purposes; (iv) benefit companies that they own in
19 providing goods and services to companies active in EG's hydrocarbon extraction
20 activities; and (v) divert directly millions of dollars from EG Government accounts
21 into their private accounts through the use of offshore shell corporations. As a
22 result of this complaint, Spanish prosecutors opened a criminal investigation into
23 APDHE's allegations against Nguema's family. This criminal investigation of
24 Nguema's family remains active.
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Recognition of Severe Official Corruption in EG Government by Multilateral Public Organizations

Multilateral public organizations, including the World Bank, whose personnel are posted in EG, and the African Development Bank, have also noted that official corruption is a serious problem within the EG Government. For instance, when the World Bank Institute graded corruption on a scale of 0.0 (being the most severe) to 1.0 (being the least corrupt), the World Bank noted that several organizations ranked EG as being amongst the most corrupt states in the world. The Economist Intelligence Unit, for instance, gave EG zero points on the World Bank's corruption scale for the years 1996, 1998, 2000, and 2002 through 2011. The African Development Bank gave EG 0.2 points for the years 2005 through 2010. The International Fund for Agricultural Development gave EG 0.2 points for 2004 and 0.4 points for 2010 and 2011. The World Meteorological Organization gave EG 0.13 points for the years 1996, 1998, 2000, 2002, 2003 and 2005; 0.21 points for 2004; and 0.25 points for the years 2006 through 2011.

Similarly, the United Nations Special Rapporteur on the Right to Freedom of Opinion and Expression reported to the General Assembly in 2009 that "[t]he scourge of corruption and the overwhelming lack of morality affecting [public] officials" in EG impacted negatively the civil and political liberties of the EG people.

Independent NGOs Have Investigated and Confirmed Senior-Level Corruption in EG Government

Independent NGOs that have investigated public finance in EG have universally concluded that public corruption is widespread within EG's Government. Transparency International (TI), an international NGO focusing specifically on corruption, ranked EG as the eighth most corrupt country in the

1 world. Several other independent NGOs have also investigated and concluded that
 2 public corruption is both widespread and pervasive amongst EG's Inner Circle,
 3 including Nguema.

- 4 • Human Rights Watch in 2009 explained that, "Perhaps the most
 5 brazen and troubling examples of corruption [in EG] are repeated
 6 instances involving the president's eldest son, [Nguema], whose
 7 globetrotting and extravagant lifestyle is filled with purchases of
 8 multimillion-dollar houses and exotic sports cars throughout the
 9 world."
- 10 • Global Witness reported in 2009 that "When it comes to profligate
 11 public consumption by the Obiang clan, [Nguema] . . . is Exhibit A."
- 12 • The Open Society Institute in 2010 concluded that, "By controlling
 13 [EG's] political, economic, and legal systems—and using that control
 14 to enrich themselves—the Nguema/Mongomo group has created a
 15 nearly perfect kleptocracy [in EG]. Rarely have so few stolen so
 16 much so brazenly."
- 17 • The International Bar Association in 2003 noted that "serious
 18 concerns were raised to [their delegation to EG] about the levels of
 19 corruption which is seemingly endemic in all sectors of [EG] society
 20 [] particularly with respect to the money from oil revenues."
- 21 • Freedom House confirmed that "Equatorial Guinea is considered one
 22 of the most corrupt countries in the world and [President] Obiang and
 23 members of his inner circle continue to amass huge personal profits
 24 from the country's oil windfall."
- 25

26 Additional information responsive to this Interrogatory relating to EG's
 27 international reputation for corruption may be ascertained from the COMPLAINT
 28

as well as documents that have or will be produced by the Government, including DOJ_0000209-211; DOJ_0000273-277; DOJ_0000303-308; DOJ_0000315-321; DOJ_0000394-398; DOJ_0000399-402; DOJ_0000413-416; DOJ_0000417-421; DOJ_0000422-425; DOJ_0000426-430; DOJ_0000431-434; DOJ_0000440-442; DOJ_0000447-449; DOJ_0000450-453; DOJ_490-520; DOJ_521-556; DOJ_000584-592; DOJ_644-650; DOJ_688-718; DOJ_719-729; DOJ_790-808; DOJ_817-828; DOJ_0000838-863; DOJ_0000890-893; DOJ_915-918; DOJ_0000919-925; DOJ_0000946-950; DOJ_952-959; DOJ_0000967-974; DOJ_0001049-1080; DOJ_00001238-1283; DOJ_00001332-1440; DOJ_0001441-1460; DOJ_00001472-1496; DOJ_3853-3913; SENATE-PSI-117457-118644; and United States Department of State Annual Human Rights Reports located online at <http://www.state.gov/j/drl/rls/hrrpt>.

XVI.
**NGUEMA AND HIS FAMILY USE THE
 THREAT OF VIOLENCE TO DOMINATE
 EG AND ITS GOVERNMENT**

Nguema's father, President Obiang, as described in the COMPLAINT, exercises plenary control of EG's political and economic infrastructure. The State Department's 2006 human rights report explained that, "All branches of government are dominated by [President Obiang] and his inner circle, mostly of the Fang ethnic group." Ambassador Bennett recalled that individuals who oppose President Obiang are expelled from EG and that President Obiang's administration routinely uses torture as an instrument of political and economic control. Criticism of President Obiang or his family is viewed by the EG Government as an "attack[] against the nation." In an interview with CBS News, Ambassador Bennett graphically described the systemic use of torture by Nguema's family to maintain control of the Government.

1 In 2006, the EG Government, according to the State Department, reportedly
 2 hired assassins in foreign states, including Spain, to intimidate, threaten, and even
 3 murder EG citizens in exile. For instance, the brother of German Pedro Tomo, an
 4 exiled EG activist in Spain, was reportedly targeted for assassination. Instead of
 5 killing Tomo, however, the assassins shot Tomo's brother. These assassins were
 6 ultimately arrested and detained by Spanish law enforcement authorities for
 7 attempted murder. Similarly, the EG Government arrested and tortured individuals
 8 who opposed President Obiang, including seventy civilian and military officials,
 9 who were accused of attempting a coup. The State Department reported that their
 10 military trial was held in "secret" and all but two defendants claimed that they
 11 were tortured while in detention. Some of these defendants even bore "visible
 12 marks" of torture; another defendant had to be carried in and out of his trial
 13 because he was no longer able to walk; and a female defendant "suffered from
 14 vaginal bleeding as a result of torture."

15 Additional information responsive to this Interrogatory relating to the Inner
 16 Circle's political and economic dominance of EG may be ascertained from the
 17 COMPLAINT as well as documents that have or will be produced by the
 18 Government, including DOJ_000062-94; DOJ_0000297-302; DOJ_0000370-373;
 19 DOJ_0000394-398; DOJ_0000399-402; DOJ_651-653; DOJ_0000688-718;
 20 DOJ_883-889; DOJ_0000946-950; DOJ_1172-1238; DOJ_1332-1440;
 21 DOJ_1530-1535; and United States Department of State Annual Human Rights
 22 Reports located online at online at <http://www.state.gov/j/drl/rls/hrrpt>.
 23

24 **XVII.**
 25 **INNER CIRCLE'S CORRUPT USE OF**
 26 **RIGGS NATIONAL BANK IN WASHINGTON, D.C.**

27 Between 1995 and 2004, the EG Government and Nguema's family,
 28 including Nguema, maintained personal bank accounts at Riggs National Bank

1 (Riggs) in Washington, D.C. The EG Government directed that foreign oil
2 companies make their payments into an account at Riggs. This account was held
3 in the name of the Republic of Equatorial Guinea General Treasury and was
4 commonly referred to as the “Oil Account.” By 2003, Riggs’ EG portfolio had
5 become the largest single customer-relationship for the bank with balances and
6 outstanding loans that together approached \$700 million. The signatories on this
7 account were President Obiang, Gabriel Obiang Lima (Nguema’s brother) and
8 Melchor Adjo (Nguema’s cousin).

9 In 2004, the United States Senate’s Permanent Subcommittee on
10 Investigations (PSI) published its report on “Money Laundering and Foreign
11 Corruption: Enforcement and Effectiveness of the Patriot Act.” In that report, the
12 PSI staff concluded that Riggs “turned a blind eye to evidence [,] suggesting the
13 bank was handling the proceeds of foreign corruption.”

14 Riggs Bank records show that President Obiang transferred \$35 million from
15 the Oil Account to two companies that appeared to be associated with him—
16 Kalunga and Apexside Trading Ltd. When Riggs officials sought to obtain more
17 information about these entities from Nguema’s father and cousin, they refused to
18 provide additional details. As a result, Riggs elected to close the EG accounts on
19 February 23, 2004. (PSI 2004).

20 In addition to the Oil Account, Nguema’s father opened an account at Riggs
21 in the name of Otong, S.A. in 1999. Between 1999 and 2002, large amounts of
22 bulk cash were deposited into this account. Specifically: (1) \$1 million in cash
23 was deposited on April 20, 2000; (2) \$1 million in cash was deposited on March 8,
24 2001; (3) \$1.5 million in cash was deposited on March 20, 2001; (4) \$2 million in
25 cash was deposited on September 5, 2001; (5) \$3 million in cash was deposited on
26 September 17, 2001; and (6) \$3 million in cash was deposited on April 12, 2002.
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1 This cash, according to the PSI staff, was wrapped in plastic and transported in
2 suitcases by Simon Kareri, a senior vice president of Riggs' Embassy Banking
3 Division.

4 Kareri was placed in charge of Riggs' relationship with EG and Nguema's
5 family. In 2001 or 2002, Kareri recalls that Riggs instructed him to focus his work
6 on developing that bank's relationship with EG. Kareri provided economic and
7 financial advice to EG public officials; found schools for their children; identified
8 American physicians for their medical care; and accompanied individuals,
9 including Nguema's mother, on shopping trips to Nieman Marcus in the
10 Washington, D.C. area.

11 Nguema's mother Constancia Obiang also maintained an account at Riggs.
12 Between 2000 and 2002, \$1.4 million in cash was deposited into her account.

13 Additional information responsive to this Interrogatory relating to the
14 relationship between Riggs and the Inner Circle, including Nguema, may be
15 ascertained from the COMPLAINT as well as documents that have or will be
16 produced by the Government, including SENATE-PSI-122837-124428;
17 DOJ_00001-113; DOJ_0000167-173.
18

19 **XVIII.**
20 **PAYMENTS BY OIL COMPANIES TO**
21 **PRESIDENT OBIANG'S INNER CIRCLE**

22 American oil companies had frequent contact with members of President
23 Obiang's Inner Circle. According to Kareri, several payments were made by
24 American oil companies to the Inner Circle, which he considered suspicious,
25 including:

- 26 • In approximately 1998 or 1999, Mobil Oil provided a check to
27 Nguema's mother Constancia Obiang for approximately \$200,000 or
28 \$250,000 with the caption "business development."

- 1 • In or around 2003, Marathon Oil paid Teodoro Byogo Nsue,
2 Nguema's uncle and EG's ambassador to the United States, in or
3 around \$12,000 per month. These payments were off-the-book
4 payments not documented in EG's public records and books.
- 5 • Marathon Oil also made payments to Nguema's aunt, who served as
6 EG's ambassador to Spain.
- 7 • Exxon Mobil provided free shipping services for EG public officials
8 to ship merchandise, including automobiles, from the United States
9 to EG.
- 10 • After Exxon and Mobil merged, that company's executives met with
11 President Obiang at the Willard Hotel in Washington, D.C. The
12 executives provided and left a briefcase full of money with President
13 Obiang.
- 14 • On one occasion, Mobil Oil contacted Kareri to distribute cash
15 payments to a visiting delegation of EG officials. The range of
16 payments made by Kareri to these EG public officials were between
17 \$1,500 and \$5,500 per member.
- 18 • American oil companies paid senior EG officials for "consulting"
19 fees. Kareri characterized these payments as "suspicious" and felt
20 that these officials may have tried to conceal these payments by
21 depositing the money in banks other than Riggs.
- 22 • CMS/Triton, an American oil company, paid Juan Olo Mba Nseng,
23 EG's then Minister of Mining and Hydrocarbons, \$5,000 per month.
- 24 • American oil companies paid visiting EG delegations a generous per
25 diem. In Kareri's view, the per diem rates were "excessive" in
26 nature.
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- CMS/Triton and Marathon Oil made cash payments to Constancia Obiang's relatives who were students in the United States. The company also helped these students secure housing in "fancy apartments."

As explained above, Nguema was also a direct beneficiary of payments made by oil companies to Nguema and his family.

Additional information responsive to this Interrogatory relating to the relationship between the Inner Circle and American oil companies may be ascertained from the COMPLAINT as well as documents that have or will be produced by the Government, including DOJ_000038-94.

INTERROGATORY NO. 6

For each DEFENDANT ASSET, state all facts that YOU became aware of after April 28, 2011, that support YOUR contention, if YOU so contend, that each of the DEFENDANT ASSETS is either (a) property involved in a MONEY LAUNDERING TRANSACTION or an attempted MONEY LAUNDERING TRANSACTION, or [is] property traceable to such assets; (b) property derived from, or traceable, to proceeds obtained, directly or indirectly from an offense against a foreign nation; or (c) property constituting or derived from proceeds traceable to an offense constituting a specified unlawful activity.

RESPONSE TO INTERROGATORY NO. 6

The United States objects to this Interrogatory as it is overly broad and unduly burdensome, as it seeks information obtained by the Government after the filing of the COMPLAINT and is not limited by temporal scope. The United States objects to Claimants' Interrogatories, including but not limited to all Instructions and Definitions therein, to the extent that they purport to impose obligations on the Government beyond the scope of the Discovery Order. On September 6, 2012, the Court authorized Claimants to propound limited discovery on the probable cause the United States had when it filed the instant forfeiture

1 action. As such, to the extent that this Interrogatory seeks information beyond the
2 scope of the Discovery Order, the Government objects and will not produce such
3 information, as it is neither relevant nor reasonably calculated to discover evidence
4 that the Government had for purposes of probable cause when it filed the present
5 action. The United States does, however, expressly reserve the right to
6 supplement, clarify, revise, or correct any or all of the Responses and Objections
7 (General and Specific) herein consistent with Fed. R. Civ. P. 26(e), and to assert
8 additional objections or privileges, in one or more subsequent supplemental
9 response(s).

10 The United States further objects to this Interrogatory to the extent it calls
11 for a narrative. See, e.g., Wilcox v. Changala, 2012 U.S. Dist. LEXIS 5471, at
12 *6-7 (E. D. Wash. Jan. 18, 2012) (contention interrogatories that “ask the
13 responding party to identify each and every supporting fact about a particular
14 allegation are an abuse of the discovery process”). The United States further
15 objects to this Interrogatory on the grounds that it calls for the disclosure of
16 information subject to the attorney-client privilege, the work product doctrine or
17 the informant’s privilege. The United States objects to Claimants’ Interrogatories,
18 including but not limited to all Instructions and Definitions therein, to the extent
19 that they seek information outside the possession, custody or control of DOJ and
20 ICE. The United States further objects to this Interrogatory as it is overly broad
21 and unduly burdensome, as the definition of “YOUR” includes foreign sovereign
22 governments and entities other than DOJ and ICE.

24 The United States also objects to this Interrogatory on the ground that it is
25 compound and contains impermissible discrete subparts, which relate to distinct
26 matters and therefore constitutes multiple interrogatories. To the extent that that
27 this request seeks information relating to the recruitment or handling of
28

1 confidential informants by a federal law enforcement agency, the United States
2 objects to the request and will not produce that information. See, e.g., Roviato v.
3 United States, 353 U.S. 53 (1957).

4 Subject to and without waiving the foregoing general and specific
5 objections, the United States will respond to this Interrogatory consistent with the
6 Joint Stipulation filed by the parties on October 18, 2012, and granted by the Court
7 on October 19, 2012.

8
9 **INTERROGATORY NO. 7**

10 If YOU have obtained information from a foreign government or
11 representative, agency or component thereof concerning (a) the allegations in the
12 COMPLAINT, (b) the DEFENDANT ASSETS YOU seek to forfeit, or (c) any
13 other facts that support YOUR forfeiture action, state the specific information
14 obtained and when such information was received.

15 **RESPONSE TO INTERROGATORY NO. 7**

16 The United States objects to this Interrogatory as it is overly broad and
17 unduly burdensome, as it seeks information obtained by the Government after the
18 filing of the COMPLAINT and is not limited by temporal scope. The United
19 States objects to Claimants' Interrogatories, including but not limited to all
20 Instructions and Definitions therein, to the extent that they purport to impose
21 obligations on the Government beyond the scope of the Discovery Order. On
22 September 6, 2012, the Court authorized Claimants to propound limited discovery
23 on the probable cause the United States had when it filed the instant forfeiture
24 action. As such, to the extent that this Interrogatory seeks information beyond the
25 scope of the Discovery Order, the Government objects and will not produce such
26 information, as it is neither relevant nor reasonably calculated to discover evidence
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1 that the Government had for purposes of probable cause when it filed the present
2 action. The United States does, however, expressly reserve the right to
3 supplement, clarify, revise, or correct any or all of the Responses and Objections
4 (General and Specific) herein consistent with Fed. R. Civ. P. 26(e), and to assert
5 additional objections or privileges, in one or more subsequent supplemental
6 response(s).

7 The United States further objects to this Interrogatory on the grounds that it
8 calls for the disclosure of information subject to the attorney-client privilege, the
9 work product doctrine or the informant's privilege. The United States objects to
10 Claimants' Interrogatories, including but not limited to all Instructions and
11 Definitions therein, to the extent that they seek information outside the possession,
12 custody or control of DOJ and ICE. The United States further objects to this
13 Interrogatory as it is overly broad and unduly burdensome, as the definition of
14 "YOUR" includes foreign sovereign governments and entities other than DOJ and
15 ICE. The United States further objects to this Interrogatory as vague and
16 ambiguous, especially with respect to its use of the words "concerning" and
17 "component."
18

19 The United States also objects to this Interrogatory on the ground that it is
20 compound and contains impermissible discrete subparts, which relate to distinct
21 matters and therefore constitutes multiple interrogatories. To the extent that that
22 this request seeks information relating to the recruitment or handling of
23 confidential informants by a federal law enforcement agency, the United States
24 objects to the request and will not produce that information. See, e.g., Roviario v.
25 United States, 353 U.S. 53 (1957).

26 Subject to and without waiving the foregoing general and specific
27 objections, the United States responds as follows:
28

1 The United States received information from foreign governments, including
2 France, Italy, South Africa and the United Kingdom, relating to Nguema prior to
3 April 28, 2011.

4 **France**

5 In March 2007, three French NGOs—Sherpa, Serpie, and the Federation of
6 the Congolese Diaspora—filed a complaint with French prosecutors, alleging that
7 Nguema’s family acquired substantial assets with stolen public monies. On July 9,
8 2008, Transparency International France, a French NGO, filed a complaint with
9 French prosecutors requesting that they investigate whether Nguema’s family used
10 stolen public monies from EG to acquire assets in France.

11 Judges Roger Le Loire and Rene Grouman were then appointed to
12 investigate these allegations. In 2009, the French media reported that Judges Le
13 Loire and Grouman had identified and were investigating Nguema’s acquisition of
14 several assets in France, including his luxury residence on Avenue Foch in Paris
15 and several valuable automobiles worth a total of \$6.2 million. France’s anti-
16 money laundering agency, Tracfin, concluded, according to a report by Global
17 Witness, a U.K. NGO, that the funds used by Nguema to acquire these
18 automobiles, including two Bugatti luxury vehicles, were “likely to be the
19 laundered proceeds of misappropriated public funds.” United States law
20 enforcement authorities met with the French Judicial Police in September 2007 to
21 discuss the French investigation. Since that time, United States law enforcement
22 authorities have continued to have communications with French law enforcement
23 authorities regarding their investigation, including on March 19, 2011, when an
24 ICE representative met with the head of the French National Police’s money
25 laundering unit. France’s criminal investigation of Nguema remains active.
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Italy

General Work is a major construction company in EG specializing in large-scale government infrastructure projects. Italian law enforcement authorities, including officers of the Guardia di Finanzia (GdF), Italy's financial police, reported that they believed that between 2000 and 2007 Nguema stole EG public funds by funneling government revenue through General Work. General Work was originally formed by two Italian nationals Giulio Cistaro and Giuseppe Vona in 2001 and managed by Vona, Andrew Mannarino and Igor Celotti. Because of Celotti's close relationship to President Obiang, General Work was awarded major government infrastructure contracts in EG beginning in the early 2000s. By 2011, General Work had become one of the largest construction companies in EG. The GdF believed that 45 percent of the revenue earned by General Work in EG was funneled as kickbacks to Nguema. During this same time period, Nguema acquired the defendant Sweetwater Property, sent hundreds of thousands of dollars from EG into the United States to fraudulently open bank accounts for the maintenance and upkeep of this property, and made tens of millions of dollars of lavish expenditures and purchases.

The Judicial Police Squad at the Procure in Udine, Italy identified a network of bank accounts in Italy, Austria, Spain, Monte Carlo and Luxembourg controlled by Nguema and his father. The GdF explained that they believed that these accounts were derived from monies embezzled from the EG Government by Nguema and President Obiang through infrastructure contracts awarded to General Work by President Obiang.

In 2007, Celotti was killed in an airplane crash near Mongomo, a city on EG's mainland. The GdF believed that the circumstances surrounding this crash were suspicious. One month prior to his death, Celotti transferred his corporate

1 holdings, including 45 percent of General Work's equity, to his wife Anna Maria
2 Moro. After Celotti's death, Gimmy Ricci, another Italian businessman, was
3 appointed as General Work's new general manager. In addition to acquiring
4 managerial control of General Work, Ricci worked with Moro to form several
5 additional legal entities and companies to serve as receptacles for General Work's
6 ill-gotten revenue. The remaining equity in General Work was acquired by
7 Nguema's family. According to the GdF, Nguema's family provided no
8 compensation to other shareholders in exchange for their shares.

9 After Celotti's death in 2007, the GdF conducted an extensive investigation
10 into General Work and Celotti's financial affairs. In connection with this
11 investigation, the GdF interviewed former employees and associates of General
12 Work, including Cistaro and Vona. In addition, they performed a search of Moro's
13 residence in the Friuli region of Italy. Cistaro and Vona informed the GdF that
14 Nguema's family fraudulently assumed control of General Work. Based upon
15 their investigation, including an analysis of financial and banking records obtained
16 by the GdF from Moro, Italian law enforcement authorities concluded that Nguema
17 and his father jointly owned and controlled a network of international bank
18 accounts that contained stolen government monies misappropriated from EG's
19 treasury through General Work's government construction contracts.
20

21 **United Kingdom**

22 On or about March 12, 2009, the City of London Police Economic Crimes
23 Division informed the United States that Nguema was attempting to open a bank
24 account in the United Kingdom. The bank account, according to the City of
25 London Police, was to receive and hold \$350 million. These funds were expected
26 to be transferred from an account in Spain, that was opened by a third-party
27
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1 nominee of Nguema. The City of London Police also reported that these funds
2 were purportedly obtained through illegal means.

3 **South Africa**

4 In South Africa, George Ehlers, a South African businessman, filed a lawsuit
5 in the Cape Town High Court against the EG Government. In that litigation which
6 was filed in or around July 2005, less than one year prior to Nguema's acquisition
7 of the Sweetwater Property, Ehlers alleged that the EG Government was in breach
8 of a \$7.8 million government infrastructure contract with his company,
9 Engineering Design and Construction Company. After the EG Government seized
10 some of his company's assets in EG and refused to pay his company for its
11 services, Ehlers filed a lawsuit seeking to attach two homes valued at \$7 million
12 owned by Nguema in South Africa. The two homes were located at Erf 477
13 Clifton Ridge and Erf 303 Constantia in Cape Town. The funds used to purchase
14 these properties were wired into South Africa in 2004 from an account at CCEI
15 Bank in EG held in the name of Socage, an EG company owned by Nguema.
16

17 Ehlers alleged that because Nguema could not have afforded to purchase
18 these assets on his income as an EG public official, Nguema must have used funds
19 misappropriated from the EG Government to acquire and renovate these properties.
20 Indeed, even the contractors hired to renovate the property believed that these
21 assets were owned by the EG Government. In support of his lawsuit, Ehlers filed
22 an affidavit executed by Patricia Fuller. Fuller recalled that she spoke with Peter
23 McNamara, a contractor hired to renovate Nguema's property in Constantia.
24 McNamara, according to Fuller, advised her that he had never heard of Nguema
25 and that he was communicating with the EG Government about how to renovate
26 the property. Furthermore, McNamara claimed that he was under the impression
27 that the property belonged to the EG Government. McNamara submitted an
28

1 invoice for in or around R 3,144,524 (approximately \$359,532) to Jacques Levy,
 2 an interior decorator in Switzerland, for his services relating to Nguema's house in
 3 Constantia. As McNamara had no knowledge of Nguema, and was receiving his
 4 instructions from the EG Government regarding the home's renovations, Ehlers
 5 alleged that the funds used to acquire and renovate these properties were
 6 misappropriated from the EG Government. Although Ehlers prevailed against
 7 Nguema before the trial court, an appellate court reversed that decision on other
 8 grounds.

9 Additional information responsive to this Interrogatory may be ascertained
 10 from DOJ_0000303-314; DOJ_0000315-321; DOJ_0000413-416; DOJ_0000417-
 11 421; DOJ_0000422-425; DOJ_0000426-430; DOJ_0000431-434; DOJ_0000454-
 12 456; DOJ_0000457-461; DOJ_0000462-463; DOJ_0000440-442; DOJ_0000443-
 13 446; DOJ_0000447-449; DOJ_0000450-53; DOJ_0000454-0000463;
 14 DOJ_0000464-469; DOJ_00001652-00001904; DOJ_3853-3913.

15 **INTERROGATORY NO. 8**

16
 17 IDENTIFY each and every witness, informant, and other PERSON whom
 18 YOU have interviewed or whose statements YOU have relied on that REFER OR
 19 RELATE TO YOUR contention that the DEFENDANT ASSETS are subject to
 20 forfeiture, or that CLAIMANT has engaged in conduct that constitutes a specified
 21 unlawful activity, and state when YOU first interviewed or obtained the statement
 of such PERSON and by whom.

22 **RESPONSE TO INTERROGATORY NO. 8**

23 The United States objects to this Interrogatory as it is overly broad and
 24 unduly burdensome, as it seeks information obtained by the Government after the
 25 filing of the COMPLAINT and is not limited by temporal scope. The United
 26 States objects to Claimants' Interrogatories, including but not limited to all
 27 Instructions and Definitions therein, to the extent that they purport to impose
 28

1 obligations on the Government beyond the scope of the Discovery Order. On
2 September 6, 2012, the Court authorized Claimants to propound limited discovery
3 on the probable cause the United States had when it filed the instant forfeiture
4 action. As such, to the extent that this Interrogatory seeks information beyond the
5 scope of the Discovery Order, the Government objects and will not produce such
6 information, as it is neither relevant nor reasonably calculated to discover evidence
7 that the Government had for purposes of probable cause when it filed the present
8 action. The United States does, however, expressly reserve the right to
9 supplement, clarify, revise, or correct any or all of the Responses and Objections
10 (General and Specific) herein consistent with Fed. R. Civ. P. 26(e), and to assert
11 additional objections or privileges, in one or more subsequent supplemental
12 response(s).

13 The United States further objects to this Interrogatory on the grounds that it
14 calls for the disclosure of information subject to the attorney-client privilege, the
15 work product doctrine or the informant's privilege. The United States objects to
16 Claimants' Interrogatories, including but not limited to all Instructions and
17 Definitions therein, to the extent that they seek information outside the possession,
18 custody or control of DOJ and ICE. The United States further objects to this
19 Interrogatory as it is overly broad and unduly burdensome, as the definition of
20 "YOUR" includes foreign sovereign governments and entities other than DOJ and
21 ICE.
22

23 The United States also objects to this Interrogatory on the ground that it is
24 compound and contains impermissible discrete subparts, which relate to distinct
25 matters and therefore constitutes multiple interrogatories. The United States
26 further objects to this Interrogatory on the ground that, when combined with the
27 preceding Interrogatories, this Interrogatory violates the 25 interrogatory limit set
28

1 forth in Fed. R. Civ. P. 33(a)(1). Because the Government has already responded
 2 to 25 interrogatories, it is not required to respond to this Interrogatory. See
 3 Capaccione v. Charlotte-Mecklenburg Schools, 182 F.R.D. 486, 496, n. 4
 4 (W.D.N.C. 1998).

5 To the extent that that this request seeks information relating to the
 6 recruitment or handling of confidential informants by a federal law enforcement
 7 agency, the United States objects to the request and will not produce that
 8 information. See, e.g., Roviario v. United States, 353 U.S. 53 (1957).

9 Subject to and without waiving the foregoing general and specific
 10 objections, the United States hereby refers Claimants pursuant to Fed. R. Civ. Proc.
 11 33(d) to documents that the United States has and will produce, including but not
 12 limited to DOJ_00001-0000489.

13 **INTERROGATORY NO. 9**

14 For each and every witness, informant, and other PERSON YOU have
 15 identified in response to Interrogatory No. 8, IDENTIFY any and all efforts YOU
 16 have made to corroborate the statements of such witness, informant or PERSON or
 17 confirmed their reliability and when and how such corroboration or confirmation,
 18 if any, was secured, if at all.

19 **RESPONSE TO INTERROGATORY NO. 9**

20 The United States objects to this Interrogatory as it is overly broad and
 21 unduly burdensome, as it seeks information obtained by the Government after the
 22 filing of the COMPLAINT and is not limited by temporal scope. The United
 23 States objects to Claimants' Interrogatories, including but not limited to all
 24 Instructions and Definitions therein, to the extent that they purport to impose
 25 obligations on the Government beyond the scope of the Discovery Order. On
 26 September 6, 2012, the Court authorized Claimants to propound limited discovery
 27
 28

1 on the probable cause the United States had when it filed the instant forfeiture
2 action. As such, to the extent that this Interrogatory seeks information beyond the
3 scope of the Discovery Order, the Government objects and will not produce such
4 information, as it is neither relevant nor reasonably calculated to discover evidence
5 that the Government had for purposes of probable cause when it filed the present
6 action. The United States does, however, expressly reserve the right to
7 supplement, clarify, revise, or correct any or all of the Responses and Objections
8 (General and Specific) herein consistent with Fed. R. Civ. P. 26(e), and to assert
9 additional objections or privileges, in one or more subsequent supplemental
10 response(s).

11 The United States further objects to this Interrogatory on the grounds that it
12 calls for the disclosure of information subject to the attorney-client privilege, the
13 investigative files privilege, the work product doctrine or the informant's privilege.
14 The United States objects to Claimants' Interrogatories, including but not limited
15 to all Instructions and Definitions therein, to the extent that they seek information
16 outside the possession, custody or control of DOJ and ICE. The United States
17 further objects to this Interrogatory as it is overly broad and unduly burdensome, as
18 the definition of "YOUR" includes foreign sovereign governments and entities
19 other than DOJ and ICE.
20

21 The United States also objects to this Interrogatory on the ground that it is
22 compound and contains impermissible discrete subparts, which relate to distinct
23 matters and therefore constitutes multiple interrogatories. The United States
24 further objects to this Interrogatory on the ground that, when combined with the
25 preceding Interrogatories, this Interrogatory violates the 25 interrogatory limit set
26 forth in Fed. R. Civ. P. 33(a)(1). Because the Government has already responded
27 to 25 interrogatories, it is not required to respond to this Interrogatory. See
28

1 Capaccione v. Charlotte-Mecklenburg Schools, 182 F.R.D. 486, 496, n. 4
 2 (W.D.N.C. 1998).

3 To the extent that that this request seeks information relating to the
 4 recruitment or handling of confidential informants by a federal law enforcement
 5 agency, the United States objects to the request and will not produce that
 6 information. See, e.g., Roviaro v. United States, 353 U.S. 53 (1957).

7 Subject to and without waiving the foregoing general and specific
 8 objections, the United States hereby refers Claimants pursuant to Fed. R. Civ. Proc.
 9 33(d) to documents that the United States has and will produce, including but not
 10 limited to DOJ_00001-0000489.

11 **INTERROGATORY NO. 10**

12 IDENTIFY each and every act YOU contend constitutes or forms the basis
 13 for each and every alleged specified unlawful activity in the COMPLAINT, and
 14 IDENTIFY (a) the date of the alleged conduct; (b) the alleged victim of the
 15 conduct; (c) the alleged role of CLAIMANT in the conduct; and (d) the proceeds
 16 of the conduct allegedly received by CLAIMANT.

17 **RESPONSE TO INTERROGATORY NO. 10**

18 The United States objects to this Interrogatory as it is overly broad and
 19 unduly burdensome, as it seeks information obtained by the Government after the
 20 filing of the COMPLAINT and is not limited by temporal scope. The United
 21 States objects to Claimants' Interrogatories, including but not limited to all
 22 Instructions and Definitions therein, to the extent that they purport to impose
 23 obligations on the Government beyond the scope of the Discovery Order. On
 24 September 6, 2012, the Court authorized Claimants to propound limited discovery
 25 on the probable cause the United States had when it filed the instant forfeiture
 26 action. As such, to the extent that this Interrogatory seeks information beyond the
 27
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1 scope of the Discovery Order, the Government objects and will not produce such
2 information, as it is neither relevant nor reasonably calculated to discover evidence
3 that the Government had for purposes of probable cause when it filed the present
4 action. The United States does, however, expressly reserve the right to
5 supplement, clarify, revise, or correct any or all of the Responses and Objections
6 (General and Specific) herein consistent with Fed. R. Civ. P. 26(e), and to assert
7 additional objections or privileges, in one or more subsequent supplemental
8 response(s).

9
10 The United States further objects to this Interrogatory to the extent it calls
11 for a narrative. See, e.g., Wilcox v. Changala, 2012 U.S. Dist. LEXIS 5471, at
12 *6-7 (E. D. Wash. Jan. 18, 2012) (contention interrogatories that “ask the
13 responding party to identify each and every supporting fact about a particular
14 allegation are an abuse of the discovery process”). The United States further
15 objects to this Interrogatory on the grounds that it calls for the disclosure of
16 information subject to the attorney-client privilege, the work product doctrine or
17 the informant’s privilege. The United States objects to Claimants’ Interrogatories,
18 including but not limited to all Instructions and Definitions therein, to the extent
19 that they seek information outside the possession, custody or control of DOJ and
20 ICE. The United States further objects to this Interrogatory as it is overly broad
21 and unduly burdensome, as the definition of “YOUR” includes foreign sovereign
22 governments and entities other than DOJ and ICE.

23 The United States also objects to this Interrogatory on the ground that it is
24 compound and contains impermissible discrete subparts, which relate to distinct
25 matters and therefore constitutes multiple interrogatories. See, e.g., Sattari v. Citi
26 Mortgage, 2010 U.S. Dist. LEXIS 125687, at *3 (D. Nev. Nov. 17, 2010)
27 (interrogatories “should consist of a brief, simple, direct, and unambiguous
28

question, dealing with one point only.”). The United States further objects to this Interrogatory on the ground that, when combined with the preceding Interrogatories, this Interrogatory violates the 25 interrogatory limit set forth in Fed. R. Civ. P. 33(a)(1). Because the Government has already responded to 25 interrogatories, it is not required to respond to this Interrogatory. See Capaccione v. Charlotte-Mecklenburg Schools, 182 F.R.D. 486, 496, n. 4 (W.D.N.C. 1998).

To the extent that that this request seeks information relating to the recruitment or handling of confidential informants by a federal law enforcement agency, the United States objects to the request and will not produce that information. See, e.g., Roviario v. United States, 353 U.S. 53 (1957). The United States further objects to this Interrogatory as it is unnecessary and unduly burdensome, as it is duplicative and redundant of Interrogatory Nos. 1, 2 and 3.

Subject to and without waiving the foregoing general and specific objections, the United States responds as follows:

I.

NGUEMA’S MISAPPROPRIATION, THEFT AND EMBEZZLEMENT OF PUBLIC FUNDS

Nguema’s Abuse and Manipulation of Public Infrastructure Contracts to Misappropriate Public Funds

After oil was discovered in EG during the 1990s, EG invested hundreds of millions of dollars in building public infrastructure projects. In February 2003, at the age of thirty-three, Nguema was appointed by his father to the newly-created post of EG’s Minister of Infrastructure and Forests. Three years later, Nguema managed to wire more than \$68 million out of EG to acquire both the defendant Sweetwater Property and a \$38 million Gulfstream GV jet aircraft.

1 In an affidavit Nguema filed with the Cape Town High Court in South
 2 Africa on August 8, 2006, the same year that Nguema acquire the Sweetwater
 3 Property, Nguema acknowledged that he, like other EG cabinet ministers, bids on
 4 and benefits from obtaining government contracts awarded to them by his father's
 5 government. In that affidavit, Nguema affirmed:

6 Cabinet Ministers and public servants in Equatorial Guinea are by law
 7 allowed to [own] companies that, in consortium with a foreign company, can
 8 bid for government contracts and should the company be successful, then
 9 what percentage of the total cost of the contract the company gets, will
 10 depend on the terms negotiated between the parties.

But, in any event, it means that a cabinet minister ends up with a sizeable
 11 part of the contract price in his bank account.

12 * * *

13 One of the companies that I own is SOCIEDAD DE CARRETERAS DE
 14 GUINEA ECUATORIAL ("SOCAGE"), with a bank account at the CCEI
 15 BANK GE, in BATA, the commercial capital of [EG].

16 EG's infrastructure and construction industry, which Nguema was
 17 responsible for regulating when he was EG's Infrastructure Minister, is where
 18 corruption is the most pronounced, according to a report drafted by Ambassador
 19 Fernandez in 2011. EG's corruption exists in its "murkier transactions such as
 20 sweetheart deals, influence peddling, construction contracts and finder's fees." On
 21 March 21, 2011, Nguema met with Ambassador Fernandez and claimed that his
 22 personal wealth was attributable to infrastructure contracts awarded to his private
 23 businesses by the EG Government—the very industry that Ambassador Fernandez
 24 concluded was where corruption was most prevalent in EG, and the same industry
 25 that Nguema was in charge of regulating as Infrastructure Minister.

26 In 2009, Anton Smith, the United States Embassy's deputy chief of mission,
 27 noted that he was also concerned that the awarding of public infrastructure
 28 contracts in EG was particularly vulnerable to corruption. According to Smith, "It

1 is in these downstream, public expenditures that we lose visibility and in which the
 2 greatest opportunities for corruption persist. Rumors abound of influence buying,
 3 bid rigging and kickbacks” in EG. With respect to Nguema specifically, Smith
 4 noted that Nguema “lives the life of an international playboy and is widely accused
 5 of corruption.”

6 Indeed, by March 2004, two years prior to Nguema’s acquisition of the
 7 Sweetwater Property, Africa Confidential, a U.K. based publication focusing on
 8 Africa, reported that, “[Nguema] control[led] much of the infrastructure portfolio”
 9 funded by the EG Government’s oil revenues. Africa Confidential reported that:

10 The generals who had previously run lucrative cartels in consumer
 11 imports, air and road transport, construction and cement etc. then had
 12 to secure approval from [Nguema’s Infrastructure] Ministry. He tried
 13 to block merchandise coming in for [other EG officials and
 14 businesses]. Compared by some to Iraq’s late Uday Hussein,
 15 [Nguema] expanded his empire rapidly and started pressuring French,
 16 Spanish and other foreign companies.

17 Additional information responsive to this Interrogatory relating to Nguema’s
 18 involvement in EG’s construction and infrastructure sector may be ascertained
 19 from the COMPLAINT as well as documents that have or will be produced by the
 20 Government, including DOJ_0000584-592; DOJ_688-718; DOJ_0001049-1080;
 21 DOJ_1652-1904; DOJ_0000303-308; DOJ_0000315-321; DOJ_0000413-416;
 22 DOJ_0000417-421; DOJ_0000422-425; DOJ_0000426-430; DOJ_0000431-434;
 23 DOJ_0000834-837; DOJ_0000864-871; DOJ_00003853-3913; DOJ_0000946-
 24 950.

25 **Nguema’s Corrupt Relationship with General Work.**

26 General Work is a major construction company in EG specializing in large-
 27 scale government infrastructure projects. Italian law enforcement authorities,
 28 including officers of the Guardia di Finanza (GdF), Italy’s financial police,

1 reported that they believed that between 2000 and 2007 Nguema stole EG public
2 funds by funneling government revenue through General Work. General Work
3 was originally formed by two Italian nationals Giulio Cistaro and Giuseppe Vona
4 in 2001 and managed by Vona, Andrew Mannarino and Igor Celotti. Because of
5 Celotti's close relationship to President Obiang, General Work was awarded major
6 government infrastructure contracts in EG beginning in the early 2000s. By 2011,
7 General Work had become one of the largest construction companies in EG. The
8 GdF believed that 45 percent of the revenue earned by General Work in EG was
9 funneled as kickbacks to Nguema. During this same time period, Nguema
10 acquired the defendant Sweetwater Property, sent hundreds of thousands of dollars
11 from EG into the United States to fraudulently open bank accounts for the
12 maintenance and upkeep of this property, and made tens of millions of dollars of
13 lavish expenditures and purchases.

14 The Judicial Police Squad at the Procure in Udine, Italy identified a network
15 of bank accounts in Italy, Austria, Spain, Monte Carlo and Luxembourg controlled
16 by Nguema and his father. The GdF explained that they believed that these
17 accounts were derived from monies embezzled from the EG Government by
18 Nguema and President Obiang through infrastructure contracts awarded to General
19 Work by President Obiang.

20 In 2007, Celotti was killed in an airplane crash near Mongomo, a city on
21 EG's mainland. The GdF believed that the circumstances surrounding this crash
22 were suspicious. One month prior to his death, Celotti transferred his corporate
23 holdings, including 45 percent of General Work's equity, to his wife Anna Maria
24 Moro. After Celotti's death, Jimmy Ricci, another Italian businessman, was
25 appointed as General Work's new general manager. In addition to acquiring
26 managerial control of General Work, Ricci worked with Moro to form several
27
28

1 additional legal entities and companies to serve as receptacles for General Work's
2 ill-gotten revenue. The remaining equity in General Work was acquired by
3 Nguema's family. According to the GdF, Nguema's family provided no
4 compensation to other shareholders in exchange for their shares.

5 After Celotti's death in 2007, the GdF conducted an extensive investigation
6 into General Work and Celotti's financial affairs. In connection with this
7 investigation, the GdF interviewed former employees and associates of General
8 Work, including Cistaro and Vona. In addition, they performed a search of Moro's
9 residence in the Friuli region of Italy. Cistaro and Vona informed the GdF that
10 Nguema's family fraudulently assumed control of General Work. Based upon
11 their investigation, including an analysis of financial and banking records obtained
12 by the GdF from Moro, Italian law enforcement authorities concluded that Nguema
13 and his father jointly owned and controlled a network of international bank
14 accounts that contained stolen government monies misappropriated from EG's
15 treasury through General Work's government construction contracts.

16 Additional information responsive to this Interrogatory relating to the
17 relationship between Nguema and General Work may be ascertained from the
18 COMPLAINT and documents that have or will be produced by the Government,
19 including DOJ_0000303-308; DOJ_0000315-321; DOJ_0000413-416;
20 DOJ_0000417-421; DOJ_0000422-425; DOJ_0000426-430; DOJ_0000431-434;
21 DOJ_0000809-816; DOJ_00003853-3913; SENATE-PSI-86730; SENATE-PSI-
22 93976; SENATE-PSI-94046; SENATE-PSI-96238-96240.

23 **Nguema's Attempt to Misappropriate \$40 Million in Public Funds to Acquire**
24 **a Gulfstream Jet**
25

26 In 2004, two years before Nguema acquired the defendant Sweetwater
27 Property, Nguema contacted Gulfstream Aerospace Corporation (GAC) and
28

1 expressed interest in purchasing a \$40 million aircraft from GAC. Stephen Arnold
2 Fuller, GAC's regional vice president for Sub-Saharan Africa, recalled that
3 Nguema informed GAC that he intended to finance the purchase of this aircraft by
4 diverting \$40 million in public funds from the EG Government through an
5 American oil company.

6 Nguema told Mr. Fuller that he could and would pay for the \$40 million
7 aircraft with public funds by having an "American oil company" initially pay GAC
8 for the aircraft. EG would then, according to Nguema, "repay the American oil
9 company through credits to the company's local account in EG." In a letter dated
10 April 20, 2004, Fuller confirmed that Nguema was proposing to purchase from
11 GAC a Gulfstream 550 with misappropriated public funds. Mr. Fuller stated in
12 that letter:

13 [Nguema] is suggesting that [GAC] contact the Chairman of Ocean
14 Energy in Houston, Texas with regard to the Gulfstream 550. There
15 may be an advantage in assigning the Sales Agreement to Ocean
16 Energy and having that company assume the payment obligations for
17 the Gulfstream 550. In return, the Government [of EG] would issue a
18 Credit Memorandum to Ocean Energy for amounts payable in
connection with oil production.

19 Raymond Banoun, managing partner of Cadwalader, Wickersham & Taft,
20 LLP, a New York-based law firm, served as an attorney for GAC in connection
21 with this transaction. Like Mr. Fuller, Mr. Banoun recalled that in 2004, Nguema
22 represented to GAC that he would misappropriate EG public funds by (i) having
23 Ocean Energy, an American oil company, purchase the \$40 million aircraft and
24 "assume the payments on his behalf" and then (ii) "in return" have the "Equatorial
25 Guinea government [] issue a credit memo to Ocean Energy for monies connected
26 with oil production in Equatorial Guinea."
27
28

1 Additional information responsive to this Interrogatory relating to Nguema's
2 relationship and communications with GAC may be ascertained from the
3 COMPLAINT as well as documents that have or will be produced by the
4 Government, including DOJ_0000114-166; DOJ_0000388-393; SENATE-PSI-
5 119217-120245; SENATE-PSI-120318-120347; SENATE-PSI-124429-126128.

6 **Accusations of Direct Diversion of EG Public Funds**

7 In South Africa, George Ehlers, a South African businessman, filed a lawsuit
8 in the Cape Town High Court against the EG Government. In that litigation which
9 was filed in or around July 2005, less than one year prior to Nguema's acquisition
10 of the Sweetwater Property, Ehlers alleged that the EG Government was in breach
11 of a \$7.8 million government infrastructure contract with his company,
12 Engineering Design and Construction Company. After the EG Government seized
13 some of his company's assets in EG and refused to pay his company for its
14 services, Ehlers filed a lawsuit seeking to attach two homes valued at \$7 million
15 owned by Nguema in South Africa. The two homes were located at Erf 477
16 Clifton Ridge and Erf 303 Constantia in Cape Town. The funds used to purchase
17 these properties were wired into South Africa in 2004 from an account at CCEI
18 Bank in EG held in the name of Socage, an EG company owned by Nguema.
19

20 Ehlers alleged that because Nguema could not have afforded to purchase
21 these assets on his income as an EG public official, Nguema must have used funds
22 misappropriated from the EG Government to acquire and renovate these properties.
23 Indeed, even the contractors hired to renovate the property believed that these
24 assets were owned by the EG Government. In support of his lawsuit, Ehlers filed
25 an affidavit executed by Patricia Fuller. Fuller recalled that she spoke with Peter
26 McNamara, a contractor hired to renovate Nguema's property in Constantia.
27 McNamara, according to Fuller, advised her that he had never heard of Nguema
28

1 and that he was communicating with the EG Government about how to renovate
 2 the property. Furthermore, McNamara claimed that he was under the impression
 3 that the property belonged to the EG Government. McNamara submitted an
 4 invoice for in or around R 3,144,524 (approximately \$359,532) to Jacques Levy,
 5 an interior decorator in Switzerland, for his services relating to Nguema's house in
 6 Constantia. As McNamara had no knowledge of Nguema, and was receiving his
 7 instructions from the EG Government regarding the home's renovations, Ehlers
 8 alleged that the funds used to acquire and renovate these properties were
 9 misappropriated from the EG Government. Although Ehlers prevailed against
 10 Nguema before the trial court, an appellate court reversed that decision on other
 11 grounds.

12 Additional information responsive to this Interrogatory relating to Mr.
 13 Ehlers' lawsuit in South Africa may be ascertained from documents that have or
 14 will be produced by the Government, including DOJ_0000281-284;
 15 DOJ_0000464-469; DOJ_0001049-1080; DOJ_1652-1904; DOJ_0000890-893.
 16

17 II.

18 EXTORTION AND BRIBERY

19 Beginning in the 1990s, Nguema, as described in the COMPLAINT,
 20 received and demanded that companies in E.G provide him with money or property
 21 in order to be able to maintain and operate their businesses. Nguema abused his
 22 authority and influence within the EG Government both as a member of the cabinet
 23 and President Obiang's eldest son to make these demands and to retaliate against
 24 those who refused to acquiesce.

25 **Extortion and Solicitation of Bribes from Forestry Companies**

26 In 1998, at the age of 29, Nguema was appointed by his father to serve as
 27 EG's first-ever Minister of Forestry and Agriculture. Timber is EG's second
 28

1 largest and most valuable export commodity. Nguema's Forestry Ministry
2 (Ministry) controls timber harvesting operations in EG. The Ministry also controls
3 timber exports. In order to export timber from EG, Nguema requires that timber
4 companies obtain an export authorization document that is personally signed by
5 him. Timber companies incur expenses of up to \$5,000 per day if Nguema delays
6 in signing these requests.

7 **Extortion Payments and Bribes from Forestry Companies**

8 Foreign timber executives claim that their companies were routinely
9 required to pay bribes to Nguema in order to do business in EG. Foreign Policy
10 Magazine quoted one timber executive as stating, "[Nguema] would call
11 emergency meetings of all the logging company heads in which he would
12 announce some new tax on logging operations." According to this executive,
13 Nguema charged timber companies an extra so-called "tax" that they were forced
14 to pay him personally for wood harvested in EG. Nguema purportedly charged
15 timber companies directly per cubic meter of timber harvested by that company.
16

17 A French timber executive, identified as "Jean Michel" in this same Foreign
18 Policy Magazine article, reported that Nguema seized the French logging company
19 he worked for in EG. It was impossible, according to Jean Michel, for timber
20 companies to do business in EG without paying bribes to Nguema. Although Jean
21 Michel's company initially paid Nguema the bribes that he demanded, the EG
22 military shut down this company's operations and expelled its personnel from EG
23 after it refused to make any further bribe payments to Nguema.

24 Independent NGOs have also reported that Nguema extorts payments and
25 solicits bribes from timber companies in EG. For instance, a former United States
26 intelligence official, who was familiar with EG, reported to Global Witness, that
27 Nguema solicits and accepts bribes from Malaysian, North Korean and Chinese
28

1 timber companies. According to this intelligence official, “There were Malaysian,
2 North Korean, and Chinese logging camps on the mainland [of EG], and [Nguema]
3 collected cash from them . . . for logging operations, much of it involving valuable
4 hardwood.”

5 While Nguema solicits and collects bribes from foreign timber companies,
6 he also permits these same companies to violate EG’s forestry laws and
7 regulations. Indeed, according to representatives of the Environmental
8 Investigation Agency (EIA), an environmental NGO, corruption is pervasive in
9 EG’s forestry sector and some foreign timber companies, including Shimmer
10 International of Malaysia (Shimmer), are permitted illegally to harvest timber in
11 EG’s protected forests reserves.

12 Several independent NGOs, including Forest Monitor, Green Peace and the
13 World Rain Forest Movement, confirmed that Nguema does not enforce EG’s
14 forestry laws on some foreign timber companies, including Shimmer. For
15 instance, Shimmer engages in illegal logging in protected national forests in EG,
16 including Monte Alen, even though these forest reserves are protected from
17 industrial logging under EG’s Forestry Law. Greenpeace reported that in 2004,
18 “Enforcement of legal requirements is virtually non-existent in commercial
19 logging” in EG. Similarly, Forests Monitor, a U.K. NGO, concluded in 2001 that,
20 “[i]n practice, enforcement of all the various legal requirements [in EG’s forestry
21 sector] is virtually non-existent.”

22 Likewise, while Nguema served as Forestry Minister, some timber
23 companies were permitted to overcut EG’s forests. Although EG’s Forestry Law
24 places limits on how much timber can be harvested by concessionaires and
25 requires these entities to process 60 percent of their timber in EG, many timber
26 companies, including Shimmer, were operating in violation of these rules.
27
28

1 According to a United States Forest Service ranger, who visited EG between July
2 31, 2004, and August 15, 2004, “[i]t is clear that in some areas that [EG] forests
3 [were] being overcut.” Similarly, EIA representatives confirmed that Shimmer, the
4 dominant timber company in EG, was permitted to illegally export the bulk of its
5 raw timber to China without processing it domestically.

6 Additional information responsive to this Interrogatory relating to Nguema’s
7 control of EG’s forestry sector and his solicitation of bribes and extortion
8 payments from timber companies may be ascertained from the COMPLAINT and
9 documents that have or will be produced by the Government, including
10 DOJ_0000408-412; DOJ_0001049-1080; DOJ_0000842-863; DOJ_0000614-615;
11 DOJ_975-1048; DOJ_758-777; DOJ_778-789.

12 **Nguema’s Relationship with Shimmer International**

13 Nguema reportedly maintains a close working relationship with Shimmer
14 that benefits him personally. While Nguema was its head, EG’s Forestry Ministry
15 awarded Shimmer substantial forestry concessions. Shimmer was the largest and
16 most dominant forestry company in EG. Indeed, in 2006, the same year that
17 Nguema purchased the Sweetwater Property, Shimmer was responsible for more
18 than 66 percent of the timber harvested in that country. According to a former
19 U.S. intelligence official who spoke with Global Witness, Nguema solicited and
20 collected bribes from Shimmer in EG.

21 Nguema confirmed to U.S. diplomats at the Embassy in 2009 that he
22 permitted a Malaysian company to deploy 40 teams of well-equipped lumberjacks
23 to “clear cut” a “large tract of pristine continental jungle” that was “granted” to
24 him by the EG Government. Nguema then purportedly earned a “large windfall”
25 by exporting this raw timber to Asia. It is illegal under EG’s Forestry law to
26 permit this type of “clear cutt[ing].” EG law also requires timber concessionaires,
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1 like Nguema, to process domestically a minimum of 60 percent of the raw timber
2 they harvest from their concessions. Nguema, however, exported his raw timber as
3 “whole logs” to Asia. Although it was Nguema’s responsibility as EG’s Forestry
4 Minister to enforce these laws, Nguema explained to U.S. diplomats that this
5 illegal “windfall” was the source of his personal wealth.

6 Additional information responsive to this Interrogatory relating to Nguema’s
7 relationship with timber companies, including Shimmer, may be ascertained from
8 the COMPLAINT as well as documents that have or will be produced by the
9 Government, including DOJ_0000408-412; DOJ_0001049-1080; DOJ_975-1048;
10 DOJ_778-789.

11 **British Hotel Company**

12 In or around 2003, a British company sought permission to build a Sheraton
13 hotel in Malabo, EG’s capital city located on Bioko Island. According to Simon
14 Kareri, a Riggs Bank vice president, Nguema refused to permit the British
15 company to build the Malabo hotel unless its executives agreed to provide him
16 with 55 percent of the hotel’s equity. When the British company refused, their
17 hotel project was not allowed to go forward. Nguema purportedly accompanied
18 representatives of this British company to Nguema’s Los Angeles home to engage
19 in negotiations about this hotel.
20

21 Additional information responsive to this Interrogatory relating to this
22 British company may be ascertained from documents that have or will be produced
23 by the Government, including DOJ_000080-87.

24 **G.E. Petrol**

25 G. E. Petrol is EG’s state-owned oil company. According to Kareri, when
26 he was employed at Riggs prior to 2005, G.E. Petrol was still “run by the First
27 Family” of EG and Nguema was the company’s “*patron*.” In Spanish, which is
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1 one of EG's official languages, the word "*patron*" means "master" or "boss."
2 Even though Nguema "flunked high school and does not know how to do
3 anything," according to Kareri, Nguema controlled G.E. Petrol as its "*patron*".
4 Kareri stated that "the big money from the [foreign] oil companies is being paid to
5 the First Family through joint venture projects in EG" and that corrupt payments
6 were disbursed by G.E. Petrol to "so-called oil brokers" controlled by Nguema's
7 family. These brokers, according to Kareri, make further profits for Nguema's
8 family by purchasing oil from G.E. Petrol at discounted rates.

9 According to Kareri, Nguema's family "may be skimming money from the
10 sale of [EG's] share of oil produced by the oil companies in EG." Nguema,
11 according to Kareri, often made remarks to him suggesting that he is GE Petrol's
12 "*patron*." On one occasion, Kareri recalled that G.E. Petrol requested that he
13 divert directly a certain percentage of EG's oil revenue to an account controlled by
14 G.E. Petrol. Kareri refused.

15 Similarly, as explained above, Nguema represented to GAC that he
16 possessed both the ability and the intent to misappropriate public funds from the
17 EG treasury relating to oil production. Specifically, he claimed that he could
18 provide an American oil money with a \$38.5 million "credit memorandum"
19 derived from public funds to acquire a personal asset for himself.
20

21 Kareri and Nguema purportedly had a close business and personal
22 relationship. Nguema consulted Kareri frequently about both financial and
23 personal issues, including "personal problems" Nguema had with his father.
24 Kareri commented to his wife, that it was unfortunate that Nguema was "blowing"
25 the money from EG.
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1 Additional information responsive to this Interrogatory relating to G.E.
2 Petrol may be ascertained from documents that have or will be produced by the
3 Government, including DOJ_000038-94 and DOJ_0000241-244.

4 **Foreign Oil Companies**

5 Walter International (Walter) was a Houston-based oil company operating in
6 EG. In 1991, Nguema enrolled at Pepperdine University's English language
7 program in Malibu, California. According to Ambassador John Bennett, a former
8 United States Ambassador to EG during the early 1990s, Nguema's Pepperdine
9 tuition and expenses were fully paid for by Walter. Elisa Wax, a Pepperdine
10 employee, recalled that Pepperdine received a "steady stream of phone calls from
11 the Beverly Wilshire [Hotel] and shops in Beverly Hills trying to track down
12 [Nguema] to settle outstanding bills." Wax would direct these calls to Walter
13 International. Ambassador Bennett recalled that Nguema incurred, and Walter
14 paid, \$50,000 in expenses while attending Pepperdine in California.

15 In November 2009, Global Witness reported that Nguema received corrupt
16 payments from Elf-Aquitaine, a French oil and gas company. In 2004, thirty
17 senior executives of Elf Aquitaine were charged and convicted in France of
18 distributing bribes and kickbacks in Africa over a period of several decades.
19

20 A confidential source ("CI 3"), who spoke with federal agents in Miami,
21 Florida, also confirmed that it was his/her belief that Nguema controls the oil
22 industry in EG and that he derives his wealth from illegal activities in EG,
23 including the distribution of counterfeit cigarettes, diamond smuggling and
24 monetary kickbacks in the form of contracts from United States oil companies
25 operating in EG.

26 Another confidential source (CI 2), who spoke with federal agents and was a
27 former employee of Nguema in Los Angeles in or around 2006, the same year that
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1 Nguema acquired the Sweetwater Property, recalled that Nguema told him/her that
 2 the source of his wealth was related to EG's oil resources. CI 2 was an employee
 3 of Nguema who worked at the defendant Sweetwater Property. Even though
 4 Nguema holds no official position within the EG Government related to the oil
 5 industry, CI 2 recalls seeing three "oil officials" meet with Nguema at the
 6 Sweetwater Property during the second week of November 2006.

7 Additional information responsive to this Interrogatory relating to Nguema's
 8 relationship with the oil and gas industry may be ascertained from documents that
 9 have or will be produced by the Government, including DOJ_0000114-0000166;
 10 DOJ_0000241-244; DOJ_0000265-268; DOJ_0000388-393; DOJ_0000394-398;
 11 DOJ_0000842-863; DOJ_0001049-1080; SENATE-PSI-119217-120245;
 12 SENATE-PSI-120318-120347; SENATE-PSI-124429-126128.

13 **Michael Chevaly**

14 An individual named Michael Chevaly allegedly smuggles various
 15 fraudulently manufactured consumer goods into Cameroon, Nigeria, Benin, Niger,
 16 Chad, Sierra Leone, Liberia, Guinea-Conakry and Gabon. In so doing, Chevaly
 17 purportedly uses routes through EG, Niger and Benin to smuggle this merchandise.
 18 CI 3 informed federal agents that Nguema possesses a business relationship with
 19 Chevaly relating to this illegal conduct. Additional information responsive to this
 20 Interrogatory relating to the relationship between Nguema and Chevaly may be
 21 ascertained from documents that have or will be produced by the Government,
 22 including DOJ_0000246-251.
 23

24 **III.**

25 **NGUEMA'S FRAUD AGAINST U.S. BANKS**

26 Between 2004 and 2008, Nguema, as described in the COMPLAINT,
 27 orchestrated, participated in and implemented a scheme fraudulently to open and
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1 use bank accounts at six financial institutions in California in order to
2 surreptitiously funnel millions of dollars into the United States from EG, while
3 concealing his association with the accounts, the source of funds, and his status as
4 an EG cabinet minister and son of the President. During this period, Nguema
5 fraudulently opened at least ten bank accounts at six financial institutions in
6 California, including Bank of America (BOA), Union Bank of California (UBOC),
7 Commercial Capital Bank, California National Bank (CNB), Comerica Bank, and
8 Citibank.

9 Beginning in 2004, after the PSI published its report on money laundering
10 on July 15, 2004, Nguema was on notice that banks in the United States were
11 uncomfortable opening bank accounts for him. The PSI's 2004 money laundering
12 report criticized Riggs for its handling of Nguema's family's funds, including
13 those of Nguema. Further, Riggs was ultimately convicted and ordered to pay a
14 criminal fine of \$16 million, as well as \$25 million in civil penalties, for its non-
15 compliance with U.S. anti-money laundering controls.

16 Just two weeks after the PSI's report was published, City National Bank in
17 Los Angeles was contacted by Nguema after the bank had closed his personal bank
18 account. When he called the bank on July 30, 2004, Nguema told a bank employee
19 that he thought his account had been closed "due to [his] country and the oil." In
20 addition to closing his accounts, City National Bank refused to return \$699,691.02
21 of Nguema's funds to him and requested that the California Superior Court for the
22 County of Los Angeles allow the bank to release these funds to the court, rather
23 than Nguema, for ultimate resolution.

24 Beginning in 2004, Nguema, Michael J. Berger and George Nagler opened
25 bank accounts in California in the names of various shell companies, including
26 Sweet Pink, Inc., Unlimited Horizon, Inc., Beautiful Vision, Inc., and Sweetwater
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1 Management, LLC, without disclosing Nguema's ownership of the companies or
2 their funds and concealing his status as a Senior Foreign Public Figure (SFP) and a
3 Politically-Exposed Person (PEP). Nguema and his intermediaries, including
4 Berger and Nagler, then transferred funds received from Nguema into these
5 fraudulently opened bank accounts in the United States. In opening numerous
6 California bank accounts and using intermediaries' accounts, Nguema, Berger and
7 Nagler intentionally and deliberately concealed from these financial institutions
8 Nguema's association with these bank accounts as well as his status as a SFP and a
9 PEP.

10 Nguema used many of the funds in these fraudulently opened accounts for
11 the maintenance and upkeep of the defendant Sweetwater Property, a \$30 million
12 mansion he purchased in Malibu in 2006. Funds were used to pay for, among
13 other things, the salaries of Nguema's household staff. These staff persons worked
14 at the Sweetwater Property and aided Nguema, at his direction, in executing this
15 fraudulent scheme. These funds were also used to maintain an office at the
16 Sweetwater Property for Nguema and his employees and associates to perpetuate
17 and oversee this scheme; the professional and administrative services of various
18 lawyers, accountants, and property managers, including Berger and Nagler; costs
19 incurred by Nguema's household staff relating to this scheme; and the costs and
20 fees of the Sweetwater Property, where Nguema and his household staff
21 maintained their business office for their shell companies and where much of the
22 conduct described at paragraphs 117-209 of the COMPLAINT were planned,
23 coordinated, and occurred.

25 Nguema repeatedly concealed from banks in California his ownership of the
26 funds in these accounts by using shell companies formed to hide his identity and
27 by using various third-party nominees, including Michael Berger and George
28

1 Nagler, who both allowed Nguema to use their client trust accounts to pay for
2 personal expenses. After each of these banks discovered Nguema's association
3 with the accounts, the banks closed each account.

4 **Bank of America.** On or about October 12, 2004, Nguema fraudulently
5 opened two accounts in the name of Beautiful Vision, a California company. No
6 banker looking at the documents and information provided to Bank of America
7 (BOA) by Berger and Nguema could have identified Nguema as being the owner
8 of Beautiful Vision, nor could they have readily identified the account as one
9 affiliated with a SFP and/or a PEP. BOA closed the Beautiful Vision accounts in
10 or around September 12, 2005, and September 15, 2005, respectively, after
11 discovering that Nguema, a SFP and a PEP, was associated with Beautiful Vision,
12 Inc.

13 **Union Bank of California.** On or about September 15, 2005, three days
14 after BOA closed Nguema's Beautiful Vision account, Nagler formed Sweet Pink,
15 Inc. for Nguema. On or about September 29, 2005, UBOC opened a checking
16 account for Sweet Pink using an EIN obtained by Nagler's assistant. The
17 signatories on the account were Eve Jeffers, Nguema's then-girlfriend, and four
18 employees of an accounting firm owned by Marvin Freedman that had been
19 retained by Nguema. On the bank account opening documents, Marvin
20 Freedman's business address is listed as Sweet Pink's address. No banker looking
21 at the documents and information provided by Nagler could have identified
22 Nguema, as being the owner of Sweet Pink, nor could they have identified the
23 account as one affiliated with an SFP and a PEP. Approximately eight days later,
24 on or about October 27, 2005, UBOC discovered that Nguema was using the Sweet
25 Pink account to gain access to the U.S. banking system and closed Sweet Pink's
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1 account. This was the third time in less than fifteen months that a California bank
2 closed an account after learning of Nguema's association with the account.

3 **Commercial Capital Bank.** On or about December 7, 2005, less than two
4 months after UBOC closed Nguema's Sweet Pink account, Berger opened an
5 account at Commercial Capital Bank in the name of Unlimited Horizon, Inc.
6 Berger caused Unlimited Horizon to be incorporated in California on October 21,
7 2005. No banker looking at the documents and information provided by Berger
8 and Nguema could have identified Nguema as being the owner of Unlimited
9 Horizon, nor could they have identified the account as one affiliated with an SFP
10 and a PEP. On or about June 22, 2006, Commercial Capital Bank closed
11 Unlimited Horizon's account. This was the fifth account in less than two years
12 closed by a California bank after discovering its association with Nguema.

13 **California National Bank.** On or about May 16, 2006, after Nguema had
14 acquired the Sweetwater Property in April 2006, Nagler formed another company
15 for Nguema called Sweetwater Management, Inc. Sweetwater Management was
16 purportedly formed to employ and to pay individuals working to maintain the
17 Sweetwater Property. In or around May 30, 2006, Edward Mizrahi, Nguema's
18 estate manager, opened an account at this bank in the name of "American Equity
19 Properties, DBA: American Property MGMT ITF: Sweet Water Malibu" ("AEP
20 Account"). The estate manager concealed Nguema's involvement with the account
21 as well as Nguema's status as a SFP and a PEP. He identified the owner of
22 Sweetwater Malibu, LLC as a "high profile" person who wanted to remain
23 confidential. The following day, on or about May 31, 2006, Nguema's personal
24 assistant Melinda DeHaven opened three additional business accounts at CNB in
25 the name of Sweetwater Management, Inc. On or about June 22, 2006, the bank
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1 closed all four accounts after learning that these accounts were associated with
2 Nguema.

3 **Union Bank of California.** On or about August 28, 2006, two months after
4 Unlimited Horizon's account at Commercial Capital Bank was closed and
5 Nguema's four accounts at CNB were closed, Berger opened two Basic Business
6 Checking Accounts in the name of Unlimited Horizon, Inc. at a UBOC branch in
7 Beverly Hills. Berger identified himself to UBOC as Unlimited Horizon's
8 president, and was the sole signatory on both UBOC accounts. Berger again
9 concealed material information from UBOC, including Nguema's association with
10 Unlimited Horizon, as well as Nguema's status as a SFP and a PEP. No banker
11 looking at the documents and information provided to UBOC by Nguema and
12 Berger, could have identified Nguema as being the owner of these accounts, nor
13 could they have identified the account as one affiliated with an SFP and a PEP.
14 After opening these accounts, Berger explained to Nguema in an email dated on or
15 about November 1, 2006, that future wires should be sent "to my new client trust
16 account at [UBOC]. I will transfer it from there to the Unlimited Horizon, Inc.
17 General Account. I will send you a separate e-mail and fax requesting a \$200,000
18 wire transfer and providing wire transfer information for this new account." Upon
19 receiving these wires in his client trust accounts, Berger withdrew these funds and
20 deposited them into Unlimited Horizon's UBOC accounts in the form of checks
21 and bank drafts. Between November 29, 2006 and May 11, 2007, Berger
22 deposited seven checks totaling \$1,399,485 into Unlimited Horizon's UBOC
23 accounts, after withdrawing these funds as "cash" from his client trust account.
24 On or about June 12, 2007, after an investigation by UBOC discovered that Berger
25 represented Nguema, an SFP and a PEP, and that Berger was using corporate
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1 vehicles to “disguise the identity of” Nguema to pay for the Sweetwater property
2 and Nguema’s living expenses, UBOC closed all three accounts.

3 **Comerica Bank.** On or about February 6, 2007 -- eight months after CNB
4 closed Nguema’s four accounts -- Nguema applied to open a bank account at
5 Comerica Bank on the Avenue of the Stars in Los Angeles. On this occasion,
6 Nguema directed his representative Anne Morse to open an account in his name
7 and to identify himself as an EG citizen to the bank, but he nonetheless concealed
8 from Comerica the fact that he was a PEP and an SFP. When asked explicitly
9 whether Nguema “ever performed important public functions for a foreign state
10 (PEP)?” Nguema’s representative answered in the negative. When asked whether
11 Nguema was “closely associated with person(s) who perform public functions for a
12 foreign state (PEP)?” the representative again answered in the negative. On or
13 about March 22, 2007, Comerica closed this account after the bank’s compliance
14 personnel discovered that Nguema, in fact, was a PEP and an SFP.

15 **Citibank.** On or about June 25, 2007, approximately thirteen days after
16 UBOC closed Nguema’s accounts, Berger opened another account in the name of
17 Unlimited Horizon at a Citibank branch in Beverly Hills. During the account-
18 opening process, Berger deliberately hid Nguema’s ownership of the account by
19 telling a Citibank banker that the true owners of the Citibank account were U.S.
20 citizens, when, in fact, Nguema a non-U.S. citizen and a SFP was the account’s
21 true owner.

22
23 Over the course of the next five months, Nguema transferred over \$1 million
24 directly from EG into Berger’s client trust account. Berger, in turn, transferred
25 these funds into Unlimited Horizon’s Citibank account. In an email dated on or
26 about December 7, 2007, Berger confirmed with Nguema, “I know that all
27 payments [from the Citibank account] must be approved by you . . . I understand
28

1 the importance of the principle. This e-mail will reconfirm that I will only pay
 2 bills approved by you.” On or about May 20, 2008, after uncovering Nguema’s
 3 association with Unlimited Horizon and this account, Citibank closed Unlimited
 4 Horizon’s account.

5 Additional information responsive to this Interrogatory and the
 6 Government’s allegations of domestic bank fraud may be ascertained from the
 7 COMPLAINT, as well as documents that have or will be produced by the
 8 Government, including DOJ_0000212-217; DOJ_0000227-236; DOJ_0000252-
 9 257; DOJ_0000258-260; DOJ_0000261-264; DOJ_0000285-288; DOJ_0000289-
 10 296; SENATE-PSI-000070636-70717; SENATE-PSI-000072041-73108;
 11 SENATE-PSI-73109-100926; SENATE-PSI-0000100927-100999;
 12 DOJ_0000101000-101513; SENATE-PSI-0000101514-107289; SENATE-PSI-
 13 SENATE-PSI-110261-110308; SENATE-PSI-0000120246-249; SENATE-PSI-
 14 000120250-120265; SENATE-PSI-120374-122836; SENATE-PSI-124429-
 15 126128.

16 **Proceeds of Bank Fraud Used for Maintenance and Upkeep of the Sweetwater**

17 **Property:** The funds deposited and funneled through Nguema’s fraudulently
 18 opened bank accounts were used to, among other things, pay for the maintenance
 19 and upkeep of the defendant Sweetwater Property. In disbursing funds from these
 20 fraudulently opened bank accounts, Nguema specifically ordered and/or approved
 21 the disbursement of funds to various vendors and payees relating to the maintenance
 22 and upkeep of the Sweetwater Property. Indeed, Berger was not permitted to
 23 disburse any funds belonging to Nguema in these accounts unless he first received
 24 a check approval form that was signed personally by Nguema.
 25

26 Nguema used the funds in his Unlimited Horizon account at UBOC to
 27 support, maintain and enhance the Sweetwater Property, including, among other
 28

1 things, paying in or around \$54,000 per month for home security services; \$10,000
2 per month in electricity bills; \$8,000 per month in phone bills; \$73,649.95 in
3 property taxes; \$6,875 for the installation of a sauna; more than \$10,000 for home
4 theater equipment; more than \$4,000 for home insurance; more than \$12,000 in
5 landscaping fees; more than \$36,000 in tree care-related fees; and more than
6 \$30,000 per month in payroll for his household staff, including estate managers,
7 maintenance crews, and housekeepers.

8 Similarly, Nguema's fraudulently opened Citibank account held in the name
9 of Unlimited Horizon was also used for the maintenance and upkeep of the
10 Sweetwater Property. Specifically, these funds were used to pay for expenses,
11 including, among other things, approximately \$54,000 per month on the home's
12 security detail, over \$9,000 per month on the power bill to Southern California
13 Edison, over \$5,000 per month on the home's water bill to Los Angeles County
14 Waterworks, \$37,000 on landscaping costs, \$3,773 on maintenance for the home's
15 fish tank, \$24,700 on outdoor landscape lighting, \$7,577 for the "Fish Physician"
16 in connection with the home's Koi pond, \$9,600 on audio-video equipment, \$1,304
17 for swimming pool maintenance, and thousands of dollars for home furniture and
18 decorations.
19

20 Additional information responsive to this Interrogatory may be ascertained
21 from the COMPLAINT, as well as documents that have or will be produced by the
22 Government, including DOJ_0000212-217; DOJ_0000227-236; DOJ_0000252-
23 257; DOJ_0000258-260; DOJ_0000261-264; DOJ_0000285-288; DOJ_0000289-
24 296; DOJ_0000470-476; SENATE-PSI-000070636-70717; SENATE-PSI-
25 000072041-73108; SENATE-PSI-73109-100926; SENATE-PSI-0000100927-
26 100999; DOJ_0000101000-101513; SENATE-PSI-0000101514-107289;
27 SENATE-PSI-SENATE-PSI-110261-110308; SENATE-PSI-0000120246-249;
28

1 SENATE-PSI-0000250-120265; SENATE-PSI-120374-122836; SENATE-PSI-
2 124429-126128.

3 **INTERROGATORY NO. 11**

4 For each and every act YOU contend constitutes or forms the basis for each
5 and every alleged specified unlawful activity in the COMPLAINT, IDENTIFY
6 when YOU first became aware of (a) the date of the alleged conduct; (b) the
7 alleged victim of the conduct; (c) the alleged role of CLAIMANT in the conduct;
8 and (d) the proceeds of the conduct allegedly received by CLAIMANT.

9 **RESPONSE TO INTERROGATORY NO. 11**

10 The United States objects to this Interrogatory as it is overly broad and
11 unduly burdensome, as it seeks information obtained by the Government after the
12 filing of the COMPLAINT and is not limited by temporal scope. The United
13 States objects to Claimants' Interrogatories, including but not limited to all
14 Instructions and Definitions therein, to the extent that they purport to impose
15 obligations on the Government beyond the scope of the Discovery Order. On
16 September 6, 2012, the Court authorized Claimants to propound limited discovery
17 on the probable cause the United States had when it filed the instant forfeiture
18 action. As such, to the extent that this Interrogatory seeks information beyond the
19 scope of the Discovery Order, the Government objects and will not produce such
20 information, as it is neither relevant nor reasonably calculated to discover evidence
21 that the Government had for purposes of probable cause when it filed the present
22 action. The United States does, however, expressly reserve the right to
23 supplement, clarify, revise, or correct any or all of the Responses and Objections
24 (General and Specific) herein consistent with Fed. R. Civ. P. 26(e), and to assert
25 additional objections or privileges, in one or more subsequent supplemental
26 response(s).
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1 The United States further objects to this Interrogatory on the grounds that it
 2 calls for the disclosure of information subject to the attorney-client privilege, the
 3 work product doctrine or the informant's privilege. The United States objects to
 4 Claimants' Interrogatories, including but not limited to all Instructions and
 5 Definitions therein, to the extent that they seek information outside the possession,
 6 custody or control of DOJ and ICE. The United States further objects to this
 7 Interrogatory as it is overly broad and unduly burdensome, as the definition of
 8 "YOUR" includes foreign sovereign governments and entities other than DOJ and
 9 ICE.

10 The United States also objects to this Interrogatory on the ground that it is
 11 compound and contains impermissible discrete subparts, which relate to distinct
 12 matters and therefore constitutes multiple interrogatories. See, e.g., Sattari v. Citi
 13 Mortgage, 2010 U.S. Dist. LEXIS 125687, at *3 (D. Nev. Nov. 17, 2010)
 14 (interrogatories "should consist of a brief, simple, direct, and unambiguous
 15 question, dealing with one point only."). The United States further objects to this
 16 Interrogatory on the ground that, when combined with the preceding
 17 Interrogatories, this Interrogatory violates the 25 interrogatory limit set forth in
 18 Fed. R. Civ. P. 33(a)(1). Because the Government has already responded to 25
 19 interrogatories, it is not required to respond to this Interrogatory. See Capaccione
 20 v. Charlotte-Mecklenburg Schools, 182 F.R.D. 486, 496, n. 4 (W.D.N.C. 1998).

21 To the extent that that this request seeks information relating to the
 22 recruitment or handling of confidential informants by a federal law enforcement
 23 agency, the United States objects to the request and will not produce that
 24 information. See, e.g., Roviario v. United States, 353 U.S. 53 (1957).

25 Subject to and without waiving the foregoing general and specific
 26 objections, the United States responds as follows:
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1 All of the facts stated herein were within the possession of DOJ and/or ICE
2 on or before April 28, 2011. Additional information responsive to this
3 Interrogatory may be ascertained from documents that have or will be produced by
4 the Government.

5
6 **INTERROGATORY NO. 12**

7 For each and every PERSON referred to or referenced in the COMPLAINT
8 as an alleged victim, witness, informant, or other non-perpetrator of allegedly
9 unlawful conduct or transactions, IDENTIFY (a) the paragraph they are referenced
10 in the COMPLAINT; (b) the true full name of such PERSON; (c) any current or
11 last known business title and affiliation; and (d) current or last known address.

12 **RESPONSE TO INTERROGATORY NO. 12**

13 The United States objects to this Interrogatory as it is overly broad and
14 unduly burdensome, as it seeks information obtained by the Government after the
15 filing of the COMPLAINT and is not limited by temporal scope. The United
16 States objects to Claimants' Interrogatories, including but not limited to all
17 Instructions and Definitions therein, to the extent that they purport to impose
18 obligations on the Government beyond the scope of the Discovery Order. On
19 September 6, 2012, the Court authorized Claimants to propound limited discovery
20 on the probable cause the United States had when it filed the instant forfeiture
21 action. As such, to the extent that this Interrogatory seeks information beyond the
22 scope of the Discovery Order, the Government objects and will not produce such
23 information, as it is neither relevant nor reasonably calculated to discover evidence
24 that the Government had for purposes of probable cause when it filed the present
25 action. The United States does, however, expressly reserve the right to
26 supplement, clarify, revise, or correct any or all of the Responses and Objections
27 (General and Specific) herein consistent with Fed. R. Civ. P. 26(e), and to assert
28

1 additional objections or privileges, in one or more subsequent supplemental
2 response(s).

3 The United States further objects to this Interrogatory on the grounds that it
4 calls for the disclosure of information subject to the attorney-client privilege, the
5 work product doctrine or the informant's privilege. The United States objects to
6 Claimants' Interrogatories, including but not limited to all Instructions and
7 Definitions therein, to the extent that they seek information outside the possession,
8 custody or control of DOJ and ICE. The United States further objects to this
9 Interrogatory as it is overly broad and unduly burdensome, as the definition of
10 "YOUR" includes foreign sovereign governments and entities other than DOJ and
11 ICE. The United States further objects to this Interrogatory as vague and
12 ambiguous, especially with respect its use of the words "victim," and "non-
13 perpetrator."

14
15 The United States also objects to this Interrogatory on the ground that it is
16 compound and contains impermissible discrete subparts, which relate to distinct
17 matters and therefore constitutes multiple interrogatories. The United States
18 further objects to this Interrogatory on the ground that, when combined with the
19 preceding Interrogatories, this Interrogatory violates the 25 interrogatory limit set
20 forth in Fed. R. Civ. P. 33(a)(1). Because the Government has already responded
21 to 25 interrogatories, it is not required to respond to this Interrogatory. See
22 Capaccione v. Charlotte-Mecklenburg Schools, 182 F.R.D. 486, 496, n. 4
23 (W.D.N.C. 1998).

24 To the extent that that this request seeks information relating to the
25 recruitment or handling of confidential informants by a federal law enforcement
26 agency, the United States objects to the request and will not produce that
27 information. See, e.g., Roviario v. United States, 353 U.S. 53 (1957).
28

1
2 **INTERROGATORY NO. 13**

3 For each PERSON identified in response to Interrogatory No. 12, IDENTIFY
4 when and how YOU first became aware of each such PERSON.

5 **RESPONSE TO INTERROGATORY NO. 13**

6
7 The United States objects to this Interrogatory as it is overly broad and
8 unduly burdensome, as it seeks information obtained by the Government after the
9 filing of the COMPLAINT and is not limited by temporal scope. The United
10 States objects to Claimants' Interrogatories, including but not limited to all
11 Instructions and Definitions therein, to the extent that they purport to impose
12 obligations on the Government beyond the scope of the Discovery Order. On
13 September 6, 2012, the Court authorized Claimants to propound limited discovery
14 on the probable cause the United States had when it filed the instant forfeiture
15 action. As such, to the extent that this Interrogatory seeks information beyond the
16 scope of the Discovery Order, the Government objects and will not produce such
17 information, as it is neither relevant nor reasonably calculated to discover evidence
18 that the Government had for purposes of probable cause when it filed the present
19 action. The United States does, however, expressly reserve the right to
20 supplement, clarify, revise, or correct any or all of the Responses and Objections
21 (General and Specific) herein consistent with Fed. R. Civ. P. 26(e), and to assert
22 additional objections or privileges, in one or more subsequent supplemental
23 response(s).
24

25 The United States further objects to this Interrogatory to the extent it calls
26 for a narrative. See, EG, Wilcox v. Changala, 2012 U.S. Dist. LEXIS 5471, at
27 *6-7 (E. D. Wash. Jan. 18, 2012) (contention interrogatories that "ask the
28

1 responding party to identify each and every supporting fact about a particular
 2 allegation are an abuse of the discovery process”). The United States further
 3 objects to this Interrogatory on the grounds that it calls for the disclosure of
 4 information subject to the attorney-client privilege, the work product doctrine or
 5 the informant. The United States objects to Claimants’ Interrogatories, including
 6 but not limited to all Instructions and Definitions therein, to the extent that they
 7 seek information outside the possession, custody or control of DOJ and ICE. The
 8 United States further objects to this Interrogatory as it is overly broad and unduly
 9 burdensome, as the definition of “YOUR” includes foreign sovereign governments
 10 and entities other than DOJ and ICE. The United States further objects to this
 11 Interrogatory as vague and ambiguous, especially with respect its use of the word
 12 “aware.”

13
 14 The United States also objects to this Interrogatory on the ground that it is
 15 compound and contains impermissible discrete subparts, which relate to distinct
 16 matters and therefore constitutes multiple interrogatories. See, e.g., Sattari v. Citi
 17 Mortgage, 2010 U.S. Dist. LEXIS 125687, at *3 (D. Nev. Nov. 17, 2010)
 18 (interrogatories “should consist of a brief, simple, direct, and unambiguous
 19 question, dealing with one point only.”). The United States further objects to this
 20 Interrogatory on the ground that, when combined with the preceding
 21 Interrogatories, this Interrogatory violates the 25 interrogatory limit set forth in
 22 Fed. R. Civ. P. 33(a)(1). Because the Government has already responded to 25
 23 interrogatories, it is not required to respond to this Interrogatory. See Capaccione
 24 v. Charlotte-Mecklenburg Schools, 182 F.R.D. 486, 496, n. 4 (W.D.N.C. 1998).

25 To the extent that that this request seeks information relating to the
 26 recruitment or handling of confidential informants by a federal law enforcement
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1 agency, the United States objects to the request and will not produce that
 2 information. See, e.g., Roviato v. United States, 353 U.S. 53 (1957).

3 **INTERROGATORY NO. 14**
 4

5 IDENTIFY, with particularity, all COMMUNICATIONS between YOU and
 6 each and every informant, alleged victim, and other source of information that
 7 YOU rely on or which REFER OR RELATE TO the allegations in YOUR
 8 COMPLAINT or which YOU otherwise contend support the forfeiture of the
 9 DEFENDANT ASSETS, including the dates of such COMMUNICATIONS.

10 **RESPONSE TO INTERROGATORY NO. 14**

11 The United States objects to this Interrogatory as it is overly broad and
 12 unduly burdensome, as it seeks information obtained by the Government after the
 13 filing of the COMPLAINT and is not limited by temporal scope. The United
 14 States objects to Claimants' Interrogatories, including but not limited to all
 15 Instructions and Definitions therein, to the extent that they purport to impose
 16 obligations on the Government beyond the scope of the Discovery Order. On
 17 September 6, 2012, the Court authorized Claimants to propound limited discovery
 18 on the probable cause the United States had when it filed the instant forfeiture
 19 action. As such, to the extent that this Interrogatory seeks information beyond the
 20 scope of the Discovery Order, the Government objects and will not produce such
 21 information, as it is neither relevant nor reasonably calculated to discover evidence
 22 that the Government had for purposes of probable cause when it filed the present
 23 action. The United States does, however, expressly reserve the right to
 24 supplement, clarify, revise, or correct any or all of the Responses and Objections
 25 (General and Specific) herein consistent with Fed. R. Civ. P. 26(e), and to assert
 26 additional objections or privileges, in one or more subsequent supplemental
 27 response(s).
 28

1 The United States further objects to this Interrogatory to the extent it calls
2 for a narrative. See, e.g., Wilcox v. Changala, 2012 U.S. Dist. LEXIS 5471, at
3 *6-7 (E. D. Wash. Jan. 18, 2012) (contention interrogatories that “ask the
4 responding party to identify each and every supporting fact about a particular
5 allegation are an abuse of the discovery process”). The United States further
6 objects to this Interrogatory on the grounds that it calls for the disclosure of
7 information subject to the attorney-client privilege, the work product doctrine or
8 the informant’s privilege. The United States objects to Claimants’ Interrogatories,
9 including but not limited to all Instructions and Definitions therein, to the extent
10 that they seek information outside the possession, custody or control of DOJ and
11 ICE. The United States further objects to this Interrogatory as it is overly broad
12 and unduly burdensome, as the definition of “YOUR” includes foreign sovereign
13 governments and entities other than DOJ and ICE. The United States further
14 objects to this Interrogatory as vague and ambiguous, especially with respect its
15 use of the words “victim” and “particularity.”

16 The United States also objects to this Interrogatory on the ground that it is
17 compound and contains impermissible discrete subparts, which relate to distinct
18 matters and therefore constitutes multiple interrogatories. See, e.g., Sattari v. Citi
19 Mortgage, 2010 U.S. Dist. LEXIS 125687, at *3 (D. Nev. Nov. 17, 2010)
20 (interrogatories “should consist of a brief, simple, direct, and unambiguous
21 question, dealing with one point only.”). The United States further objects to this
22 Interrogatory on the ground that, when combined with the preceding
23 Interrogatories, this Interrogatory violates the 25 interrogatory limit set forth in
24 Fed. R. Civ. P. 33(a)(1). Because the Government has already responded to 25
25 interrogatories, it is not required to respond to this Interrogatory. See Capaccione
26 v. Charlotte-Mecklenburg Schools, 182 F.R.D. 486, 496, n. 4 (W.D.N.C. 1998).
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1 To the extent that that this request seeks information relating to the
 2 recruitment or handling of confidential informants by a federal law enforcement
 3 agency, the United States objects to the request and will not produce that
 4 information. See, e.g., Roviato v. United States, 353 U.S. 53 (1957).

5 Subject to and without waiving the foregoing general and specific
 6 objections, the United States hereby refers Claimants pursuant to Fed. R. Civ. Proc.
 7 33(d) to documents that the United States has and will produce, including but not
 8 limited to DOJ_00001-0000489.

9 **INTERROGATORY NO. 15**

10 IDENTIFY all DOCUMENTS that YOU rely on or which REFER OR
 11 RELATE TO the allegations in YOUR COMPLAINT or which YOU otherwise
 12 contend support the forfeiture of the DEFENDANT ASSETS, and IDENTIFY all
 13 PERSONS with knowledge of such DOCUMENTS and the date when YOU first
 14 became aware of each DOCUMENT.

15 **RESPONSE TO INTERROGATORY NO. 15**

16 The United States objects to this Interrogatory as it is overly broad and
 17 unduly burdensome, as it seeks information obtained by the Government after the
 18 filing of the COMPLAINT and is not limited by temporal scope. The United
 19 States objects to Claimants' Interrogatories, including but not limited to all
 20 Instructions and Definitions therein, to the extent that they purport to impose
 21 obligations on the Government beyond the scope of the Discovery Order. On
 22 September 6, 2012, the Court authorized Claimants to propound limited discovery
 23 on the probable cause the United States had when it filed the instant forfeiture
 24 action. As such, to the extent that this Interrogatory seeks information beyond the
 25 scope of the Discovery Order, the Government objects and will not produce such
 26 information, as it is neither relevant nor reasonably calculated to discover evidence
 27 that the Government had for purposes of probable cause when it filed the present
 28

1 action. The United States does, however, expressly reserve the right to
2 supplement, clarify, revise, or correct any or all of the Responses and Objections
3 (General and Specific) herein consistent with Fed. R. Civ. P. 26(e), and to assert
4 additional objections or privileges, in one or more subsequent supplemental
5 response(s).

6 The United States further objects to this Interrogatory on the grounds that it
7 calls for the disclosure of information subject to the attorney-client privilege, the
8 work product doctrine or the informant's privilege. The United States objects to
9 Claimants' Interrogatories, including but not limited to all Instructions and
10 Definitions therein, to the extent that they seek information outside the possession,
11 custody or control of DOJ and ICE. The United States further objects to this
12 Interrogatory as it is overly broad and unduly burdensome, as the definition of
13 "YOUR" includes foreign sovereign governments and entities other than DOJ and
14 ICE.

15 The United States also objects to this Interrogatory on the ground that it is
16 compound and contains impermissible discrete subparts, which relate to distinct
17 matters and therefore constitutes multiple interrogatories. See, e.g., Sattari v. Citi
18 Mortgage, 2010 U.S. Dist. LEXIS 125687, at *3 (D. Nev. Nov. 17, 2010)
19 (interrogatories "should consist of a brief, simple, direct, and unambiguous
20 question, dealing with one point only."). The United States further objects to this
21 Interrogatory on the ground that, when combined with the preceding
22 Interrogatories, this Interrogatory violates the 25 interrogatory limit set forth in
23 Fed. R. Civ. P. 33(a)(1). Because the Government has already responded to 25
24 interrogatories, it is not required to respond to this Interrogatory. See Capaccione
25 v. Charlotte-Mecklenburg Schools, 182 F.R.D. 486, 496, n. 4 (W.D.N.C. 1998).
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1 To the extent that that this request seeks information relating to the
 2 recruitment or handling of confidential informants by a federal law enforcement
 3 agency, the United States objects to the request and will not produce that
 4 information. See, e.g., Roviario v. United States, 353 U.S. 53 (1957). The United
 5 States further objects to this Interrogatory as it is unnecessary and unduly
 6 burdensome, as it is duplicative and redundant of Interrogatory Nos. 1, 2 and 3.

7 Subject to and without waiving the foregoing general and specific
 8 objections, the United States responds as follows:

9 All of the facts stated and documents cited herein were within the possession
 10 of DOJ and/or ICE on or before April 28, 2011. Additional information responsive
 11 to this Interrogatory may be ascertained from documents that have or will be
 12 produced by the Government pursuant to the Court's Discovery Order and the
 13 parties' Joint Stipulation approved by the Court on October 19, 2012.
 14

15 **INTERROGATORY NO. 16**

16
 17 State all facts that support the allegations in Paragraph 49 of YOUR
 18 COMPLAINT that "Nguema demanded that businesses in EG pay him
 19 personal fees to be able to operate," and IDENTIFY (a) all sources of such facts;
 20 (b) the date YOU first became aware of such facts; (c) all PERSONS with
 21 knowledge of such facts; and (d) all DOCUMENTS that REFER OR RELATE TO
 22 such facts.

23 **RESPONSE TO INTERROGATORY NO. 16**

24 The United States objects to this Interrogatory as it is overly broad and
 25 unduly burdensome, as it seeks information obtained by the Government after the
 26 filing of the COMPLAINT and is not limited by temporal scope. The United
 27 States objects to Claimants' Interrogatories, including but not limited to all
 28 Instructions and Definitions therein, to the extent that they purport to impose

1 obligations on the Government beyond the scope of the Discovery Order. On
2 September 6, 2012, the Court authorized Claimants to propound limited discovery
3 on the probable cause the United States had when it filed the instant forfeiture
4 action. As such, to the extent that this Interrogatory seeks information beyond the
5 scope of the Discovery Order, the Government objects and will not produce such
6 information, as it is neither relevant nor reasonably calculated to discover evidence
7 that the Government had for purposes of probable cause when it filed the present
8 action. The United States does, however, expressly reserve the right to
9 supplement, clarify, revise, or correct any or all of the Responses and Objections
10 (General and Specific) herein consistent with Fed. R. Civ. P. 26(e), and to assert
11 additional objections or privileges, in one or more subsequent supplemental
12 response(s).

13
14 The United States further objects to this Interrogatory to the extent it calls
15 for a narrative. See, e.g., Wilcox v. Changala, 2012 U.S. Dist. LEXIS 5471, at
16 *6-7 (E. D. Wash. Jan. 18, 2012) (contention interrogatories that “ask the
17 responding party to identify each and every supporting fact about a particular
18 allegation are an abuse of the discovery process”). The United States further
19 objects to this Interrogatory on the grounds that it calls for the disclosure of
20 information subject to the attorney-client privilege, the work product doctrine or
21 the informant’s privilege. The United States objects to Claimants’ Interrogatories,
22 including but not limited to all Instructions and Definitions therein, to the extent
23 that they seek information outside the possession, custody or control of DOJ and
24 ICE. The United States further objects to this Interrogatory as it is overly broad
25 and unduly burdensome, as the definition of “YOUR” includes foreign sovereign
26 governments and entities other than DOJ and ICE. The United States further
27
28

1 objects to this Interrogatory as vague and ambiguous, especially with respect its
2 use of the words “corroborate,” “confirmed,” “reliability,” and “confirmed.”

3 The United States also objects to this Interrogatory on the ground that it is
4 compound and contains impermissible discrete subparts, which relate to distinct
5 matters and therefore constitutes multiple interrogatories. See, e.g., Sattari v. Citi
6 Mortgage, 2010 U.S. Dist. LEXIS 125687, at *3 (D. Nev. Nov. 17, 2010)
7 (interrogatories “should consist of a brief, simple, direct, and unambiguous
8 question, dealing with one point only.”). The United States further objects to this
9 Interrogatory on the ground that, when combined with the preceding
10 Interrogatories, this Interrogatory violates the 25 interrogatory limit set forth in
11 Fed. R. Civ. P. 33(a)(1). Because the Government has already responded to 25
12 interrogatories, it is not required to respond to this Interrogatory. See Capaccione
13 v. Charlotte-Mecklenburg Schools, 182 F.R.D. 486, 496, n. 4 (W.D.N.C. 1998).
14

15 To the extent that that this request seeks information relating to the
16 recruitment or handling of confidential informants by a federal law enforcement
17 agency, the United States objects to the request and will not produce that
18 information. See, e.g., Roviario v. United States, 353 U.S. 53 (1957). The United
19 States further objects to this Interrogatory as it is unnecessary and unduly
20 burdensome, as it is duplicative and redundant of Interrogatory No. 1.

21 Subject to and without waiving the foregoing general and specific
22 objections, the United States responds as follows:
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I.
NGUEMA’S MISAPPROPRIATION, THEFT
AND EMBEZZLEMENT OF PUBLIC FUNDS

Nguema’s Abuse and Manipulation of Public Infrastructure Contracts to Misappropriate Public Funds

After oil was discovered in EG during the 1990s, EG invested hundreds of millions of dollars in building public infrastructure projects. In February 2003, at the age of thirty-three, Nguema was appointed by his father to the newly-created post of EG’s Minister of Infrastructure and Forests. Three years later, Nguema managed to wire more than \$68 million out of EG to acquire both the defendant Sweetwater Property and a \$38 million Gulfstream GV jet aircraft.

In an affidavit Nguema filed with the Cape Town High Court in South Africa on August 8, 2006, the same year that Nguema acquire the Sweetwater Property, Nguema acknowledged that he, like other EG cabinet ministers, bids on and benefits from obtaining government contracts awarded to them by his father’s government. In that affidavit, Nguema affirmed:

Cabinet Ministers and public servants in Equatorial Guinea are by law allowed to [own] companies that, in consortium with a foreign company, can bid for government contracts and should the company be successful, then what percentage of the total cost of the contract the company gets, will depend on the terms negotiated between the parties.

But, in any event, it means that a cabinet minister ends up with a sizeable part of the contract price in his bank account.

* * *

One of the companies that I own is SOCIEDAD DE CARRETERAS DE GUINEA ECUATORIAL (“SOCAGE”), with a bank account at the CCEI BANK GE, in BATA, the commercial capital of [EG].

EG’s infrastructure and construction industry, which Nguema was responsible for regulating when he was EG’s Infrastructure Minister, is where corruption is the most pronounced, according to a report drafted by Ambassador

1 Fernandez in 2011. EG's corruption exists in its "murkier transactions such as
 2 sweetheart deals, influence peddling, construction contracts and finder's fees." On
 3 March 21, 2011, Nguema met with Ambassador Fernandez and claimed that his
 4 personal wealth was attributable to infrastructure contracts awarded to his private
 5 businesses by the EG Government—the very industry that Ambassador Fernandez
 6 concluded was where corruption was most prevalent in EG, and the same industry
 7 that Nguema was in charge of regulating as Infrastructure Minister.

8 In 2009, Anton Smith, the United States Embassy's deputy chief of mission,
 9 noted that he was also concerned that the awarding of public infrastructure
 10 contracts in EG was particularly vulnerable to corruption. According to Smith, "It
 11 is in these downstream, public expenditures that we lose visibility and in which the
 12 greatest opportunities for corruption persist. Rumors abound of influence buying,
 13 bid rigging and kickbacks" in EG. With respect to Nguema specifically, Smith
 14 noted that Nguema "lives the life of an international playboy and is widely accused
 15 of corruption."

16 Indeed, by March 2004, two years prior to Nguema's acquisition of the
 17 Sweetwater Property, Africa Confidential, a U.K. based publication focusing on
 18 Africa, reported that, "[Nguema] control[led] much of the infrastructure portfolio"
 19 funded by the EG Government's oil revenues. Africa Confidential reported that:

21 The generals who had previously run lucrative cartels in consumer
 22 imports, air and road transport, construction and cement etc. then had
 23 to secure approval from [Nguema's Infrastructure] Ministry. He tried
 24 to block merchandise coming in for [other EG officials and
 25 businesses]. Compared by some to Iraq's late Uday Hussein,
 26 [Nguema] expanded his empire rapidly and started pressuring French,
 27 Spanish and other foreign companies.

28 Additional information responsive to this Interrogatory relating to Nguema's
 involvement in EG's construction and infrastructure sector may be ascertained

1 from the COMPLAINT as well as documents that have or will be produced by the
 2 Government, including DOJ_0000584-592; DOJ_688-718; DOJ_0001049-1080;
 3 DOJ_1652-1904; DOJ_0000303-308; DOJ_0000315-321; DOJ_0000413-416;
 4 DOJ_0000417-421; DOJ_0000422-425; DOJ_0000426-430; DOJ_0000431-434;
 5 DOJ_0000834-837; DOJ_0000864-871; DOJ_00003853-3913; DOJ_0000946-
 6 950.

7
 8 **Nguema's Corrupt Relationship with General Work.**

9 General Work is a major construction company in EG specializing in large-
 10 scale government infrastructure projects. Italian law enforcement authorities,
 11 including officers of the Guardia di Finanzia (GdF), Italy's financial police,
 12 reported that they believed that between 2000 and 2007 Nguema stole EG public
 13 funds by funneling government revenue through General Work. General Work
 14 was originally formed by two Italian nationals Giulio Cistaro and Giuseppe Vona
 15 in 2001 and managed by Vona, Andrew Mannarino and Igor Celotti. Because of
 16 Celotti's close relationship to President Obiang, General Work was awarded major
 17 government infrastructure contracts in EG beginning in the early 2000s. By 2011,
 18 General Work had become one of the largest construction companies in EG. The
 19 GdF believed that 45 percent of the revenue earned by General Work in EG was
 20 funneled as kickbacks to Nguema. During this same time period, Nguema
 21 acquired the defendant Sweetwater Property, sent hundreds of thousands of dollars
 22 from EG into the United States to fraudulently opened bank accounts for the
 23 maintenance and upkeep of this property, and made tens of millions of dollars of
 24 lavish expenditures and purchases.
 25

26 The Judicial Police Squad at the Procure in Udine, Italy identified a network
 27 of bank accounts in Italy, Austria, Spain, Monte Carlo and Luxembourg controlled
 28

1 by Nguema and his father. The GdF explained that they believed that these
2 accounts were derived from monies embezzled from the EG Government by
3 Nguema and President Obiang through infrastructure contracts awarded to General
4 Work by President Obiang.

5 In 2007, Celotti was killed in an airplane crash near Mongomo, a city on
6 EG's mainland. The GdF believed that the circumstances surrounding this crash
7 were suspicious. One month prior to his death, Celotti transferred his corporate
8 holdings, including 45 percent of General Work's equity, to his wife Anna Maria
9 Moro. After Celotti's death, Gimmy Ricci, another Italian businessman, was
10 appointed as General Work's new general manager. In addition to acquiring
11 managerial control of General Work, Ricci worked with Moro to form several
12 additional legal entities and companies to serve as receptacles for General Work's
13 ill-gotten revenue. The remaining equity in General Work was acquired by
14 Nguema's family. According to the GdF, Nguema's family provided no
15 compensation to other shareholders in exchange for their shares.

16 After Celotti's death in 2007, the GdF conducted an extensive investigation
17 into General Work and Celotti's financial affairs. In connection with this
18 investigation, the GdF interviewed former employees and associates of General
19 Work, including Cistaro and Vona. In addition, they performed a search of Moro's
20 residence in the Friuli region of Italy. Cistaro and Vona informed the GdF that
21 Nguema's family fraudulently assumed control of General Work. Based upon
22 their investigation, including an analysis of financial and banking records obtained
23 by the Gdf from Moro, Italian law enforcement authorities concluded that Nguema
24 and his father jointly owned and controlled a network of international bank
25 accounts that contained stolen government monies misappropriated from EG's
26 treasury through General Work's government construction contracts.
27
28

1 When Nguema was negotiating the purchase of the \$30 million defendant
2 Sweetwater Property, he sent and received faxes regarding this real estate
3 transaction from Celotti's office at General Work in EG. For instance, in or
4 around April 2, 2006, Nguema signed and faxed a copy of the Supplemental
5 Escrow Instructions, the Residential Lease After Sale, and the Addendum to the
6 Residential Lease After Sale—all pertaining to the purchase of the defendant
7 Sweetwater Property—to Nagler's office from a fax number in EG (00240)
8 084096. This EG fax number belonged to Celotti. Furthermore, in connection
9 with wiring funds from EG into the United States to support the maintenance and
10 upkeep of the Sweetwater Property, Michael Berger faxed a letter in or around
11 January 20, 2008, to Celotti's fax line in EG, stating, "Here is the information that
12 you need to wire transfer money to Unlimited Horizon, Inc., account at
13 Commercial Capital Bank." In this same letter, Berger detailed Unlimited
14 Horizon's bank account information, the address of Commercial Capital Bank in
15 Beverly Hills and the bank's telephone number and routing number.

16
17 Additional information responsive to this Interrogatory relating to the
18 relationship between Nguema and General Work may be ascertained from the
19 COMPLAINT and documents that have or will be produced by the Government,
20 including DOJ_0000303-308; DOJ_0000315-321; DOJ_0000413-416;
21 DOJ_0000417-421; DOJ_0000422-425; DOJ_0000426-430; DOJ_0000431-434;
22 DOJ_0000809-816; DOJ_00003853-3913; SENATE-PSI-86730; SENATE-PSI-
23 93976; SENATE-PSI-94046; SENATE-PSI-96238-96240.

24 **Nguema's Attempt to Misappropriate \$40 Million in Public Funds to Acquire**
25 **a Gulfstream Jet**

26 In 2004, two years before Nguema acquired the defendant Sweetwater
27 Property, Nguema contacted Gulfstream Aerospace Corporation (GAC) and
28

1 expressed interest in purchasing a \$40 million aircraft from GAC. Stephen Arnold
2 Fuller, GAC's regional vice president for Sub-Saharan Africa, recalled that
3 Nguema informed GAC that he intended to finance the purchase of this aircraft by
4 diverting \$40 million in public funds from the EG Government through an
5 American oil company.

6 Nguema told Mr. Fuller that he could and would pay for the \$40 million
7 aircraft with public funds by having an "American oil company" initially pay GAC
8 for the aircraft. EG would then, according to Nguema, "repay the American oil
9 company through credits to the company's local account in EG." In a letter dated
10 April 20, 2004, Fuller confirmed that Nguema was proposing to purchase from
11 GAC a Gulfstream 550 with misappropriated public funds. Mr. Fuller stated in
12 that letter:

13 [Nguema] is suggesting that [GAC] contact the Chairman of Ocean
14 Energy in Houston, Texas with regard to the Gulfstream 550. There
15 may be an advantage in assigning the Sales Agreement to Ocean
16 Energy and having that company assume the payment obligations for
17 the Gulfstream 550. In return, the Government [of EG] would issue a
18 Credit Memorandum to Ocean Energy for amounts payable in
connection with oil production.

19 Raymond Banoun, managing partner of Cadwalader, Wickersham & Taft,
20 LLP, a New York-based law firm, served as an attorney for GAC in connection
21 with this transaction. Like Mr. Fuller, Mr. Banoun recalled that in 2004, Nguema
22 represented to GAC that he would misappropriate EG public funds by (i) having
23 Ocean Energy, an American oil company, purchase the \$40 million aircraft and
24 "assume the payments on his behalf" and then (ii) "in return" have the "Equatorial
25 Guinea government [] issue a credit memo to Ocean Energy for monies connected
26 with oil production in Equatorial Guinea."
27
28

1 Additional information responsive to this Interrogatory relating to Nguema's
2 relationship and communications with GAC may be ascertained from the
3 COMPLAINT as well as documents that have or will be produced by the
4 Government, including DOJ_0000114-166; DOJ_0000388-393; SENATE-PSI-
5 119217-120245; SENATE-PSI-120318-120347; SENATE-PSI-124429-126128.

6 **Accusations of Direct Diversion of EG Public Funds**

7 In South Africa, George Ehlers, a South African businessman, filed a lawsuit
8 in the Cape Town High Court against the EG Government. In that litigation which
9 was filed in or around July 2005, less than one year prior to Nguema's acquisition
10 of the Sweetwater Property, Ehlers alleged that the EG Government was in breach
11 of a \$7.8 million government infrastructure contract with his company,
12 Engineering Design and Construction Company. After the EG Government seized
13 some of his company's assets in EG and refused to pay his company for its
14 services, Ehlers filed a lawsuit seeking to attach two homes valued at \$7 million
15 owned by Nguema in South Africa. The two homes were located at Erf 477
16 Clifton Ridge and Erf 303 Constantia in Cape Town. The funds used to purchase
17 these properties were wired in 2004 into South Africa from an account at CCEI
18 Bank in EG held in the name of Socage, an EG company owned by Nguema.
19

20 Ehlers alleged that because Nguema could not have afforded to purchase
21 these assets on his income as an EG public official, Nguema must have used funds
22 misappropriated from the EG Government to acquire and renovate these properties.
23 Indeed, even the contractors hired to renovate the property believed that these
24 assets were owned by the EG Government. In support of his lawsuit, Ehlers filed
25 an affidavit executed by Patricia Fuller. Fuller recalled that she spoke with Peter
26 McNamara, a contractor hired to renovate Nguema's property in Constantia.
27 McNamara, according to Fuller, advised her that he had never heard of Nguema
28

1 and that he was communicating with the EG Government about how to renovate
 2 the property. Furthermore, McNamara claimed that he was under the impression
 3 that the property belonged to the EG Government. McNamara submitted an
 4 invoice for in or around R 3,144,524 (approximately \$359,532) to Jacques Levy,
 5 an interior decorator in Switzerland, for his services relating to Nguema's house in
 6 Constantia. As McNamara had no knowledge of Nguema, and was receiving his
 7 instructions from the EG Government regarding the home's renovations, Ehlers
 8 alleged that the funds used to acquire and renovate these properties were
 9 misappropriated from the EG Government. Although Ehlers prevailed against
 10 Nguema before the trial court, an appellate court reversed that decision on other
 11 grounds.

12 Additional information responsive to this Interrogatory relating to Mr.
 13 Ehlers' lawsuit in South Africa may be ascertained from documents that have or
 14 will be produced by the Government, including DOJ_0000281-284;
 15 DOJ_0000464-469; DOJ_0001049-1080; DOJ_1652-1904; DOJ_0000890-893.
 16

17 II.

18 EXTORTION AND BRIBERY

19 Beginning in the 1990s, Nguema, as described in the COMPLAINT,
 20 received and demanded that companies in E.G provide him with money or property
 21 in order to be able to maintain and operate their businesses. Nguema abused his
 22 authority and influence within the EG Government both as a member of the cabinet
 23 and President Obiang's eldest son to make these demands and to retaliate against
 24 those who refused to acquiesce.

25 **Extortion and Solicitation of Bribes from Forestry Companies**

26 In 1998, at the age of 29, Nguema was appointed by his father to serve as
 27 EG's first-ever Minister of Forestry and Agriculture. Timber is EG's second
 28

1 largest and most valuable export commodity. Nguema's Forestry Ministry
2 (Ministry) controls timber harvesting operations in EG. The Ministry also controls
3 timber exports. In order to export timber from EG, Nguema requires that timber
4 companies obtain an export authorization document that is personally signed by
5 him. Timber companies incur expenses of up to \$5,000 per day if Nguema delays
6 in signing these requests.

7 8 9 **Extortion Payments and Bribes from Forestry Companies**

10 Foreign timber executives claim that their companies were routinely
11 required to pay bribes to Nguema in order to do business in EG. Foreign Policy
12 Magazine quoted one timber executive as stating, "[Nguema] would call
13 emergency meetings of all the logging company heads in which he would
14 announce some new tax on logging operations." According to this executive,
15 Nguema charged timber companies an extra so-called "tax" that they were forced
16 to pay him personally for wood harvested in EG. Nguema purportedly charged
17 timber companies directly per cubic meter of timber harvested by that company.

18
19 A French timber executive, identified as "Jean Michel" in this same Foreign
20 Policy Magazine article, reported that Nguema seized the French logging company
21 he worked for in EG. It was impossible, according to Jean Michel, for timber
22 companies to do business in EG without paying bribes to Nguema. Although Jean
23 Michel's company initially paid Nguema the bribes that he demanded, the EG
24 military shut down this company's operations and expelled its personnel from EG
25 after it refused to make any further bribe payments to Nguema.

26 Independent NGOs have also reported that Nguema extorts payments and
27 solicits bribes from timber companies in EG. For instance, a former United States
28

1 intelligence official, who was familiar with EG, reported to Global Witness, that
2 Nguema solicits and accepts bribes from Malaysian, North Korean and Chinese
3 timber companies. According to this intelligence official, “There were Malaysian,
4 North Korean, and Chinese logging camps on the mainland [of EG], and [Nguema]
5 collected cash from them . . . for logging operations, much of it involving valuable
6 hardwood.”

7 While Nguema solicits and collects bribes from foreign timber companies,
8 he also permits these same companies to violate EG’s forestry laws and
9 regulations. Indeed, according to representatives of the Environmental
10 Investigation Agency (EIA), an environmental NGO, corruption is pervasive in
11 EG’s forestry sector and some foreign timber companies, including Shimmer
12 International of Malaysia (Shimmer), are permitted illegally to harvest timber in
13 EG’s protected forests reserves.

14 Several independent NGOs, including Forest Monitor, Green Peace and the
15 World Rain Forest Movement, confirmed that Nguema does not enforce EG’s
16 forestry laws on some foreign timber companies, including Shimmer. For
17 instance, Shimmer engages in illegal logging in protected national forests in EG,
18 including Monte Alen, even though these forest reserves are protected from
19 industrial logging under EG’s Forestry Law. Greenpeace reported that in 2004,
20 “Enforcement of legal requirements is virtually non-existent in commercial
21 logging” in EG. Similarly, Forests Monitor, a U.K. NGO, concluded in 2001 that,
22 “[i]n practice, enforcement of all the various legal requirements [in EG’s forestry
23 sector] is virtually non-existent.”

24 Likewise, while Nguema held the position of Forestry Minister, some timber
25 companies were permitted to overcut EG’s forests. Although EG’s Forestry Law
26 places limits on how much timber can be harvested by concessionaires and
27
28

1 requires these entities to process 60 percent of their timber in EG, many timber
2 companies, including Shimmer, were operating in violation of these rules.

3 According to a United States Forest Service ranger, who visited EG between July
4 31, 2004, and August 15, 2004, “[i]t is clear that in some areas that [EG] forests
5 [were] being overcut.” Similarly, EIA representatives confirmed that Shimmer, the
6 dominant timber company in EG, was permitted to illegally export the bulk of its
7 raw timber to China without processing it domestically.

8 Additional information responsive to this Interrogatory relating to Nguema’s
9 control of EG’s forestry sector and his solicitation of bribes and extortion
10 payments from timber companies may be ascertained from the COMPLAINT and
11 documents that have or will be produced by the Government, including
12 DOJ_0000408-412; DOJ_0001049-1080; DOJ_0000842-863; DOJ_0000614-615;
13 DOJ_975-1048; DOJ_758-777; DOJ_778-789.

14 **Nguema’s Relationship with Shimmer International**

15 Nguema reportedly maintains a close working relationship with Shimmer
16 that benefitted him personally. While Nguema was its head, EG’s Forestry
17 Ministry awarded Shimmer substantial forestry concessions. Shimmer was the
18 largest and most dominant forestry company in EG. Indeed, in 2006, the same
19 year that Nguema purchased the Sweetwater Property, Shimmer was responsible
20 for more than 66 percent of the timber harvested in that country. According to a
21 former U.S. intelligence official who spoke with Global Witness, Nguema solicited
22 and collected bribes from Shimmer in EG.

24 Nguema confirmed to U.S. diplomats at the Embassy in 2009 that he
25 permitted a Malaysian company to deploy 40 teams of well-equipped lumberjacks
26 to “clear cut” a “large tract of pristine continental jungle” that was “granted” to
27 him by the EG Government. Nguema then purportedly earned a “large windfall”
28

1 by exporting this raw timber to Asia. It is illegal under EG's Forestry law to
2 permit this type of "clear cutt[ing]." EG law also requires timber concessionaires,
3 like Nguema, to process domestically a minimum of 60 percent of the raw timber
4 they harvest from their concessions. Nguema, however, exported his raw timber as
5 "whole logs" to Asia. Although it was Nguema's responsibility as EG's Forestry
6 Minister to enforce these laws, Nguema explained to U.S. diplomats that this
7 illegal "windfall" was the source of his personal wealth.

8 Additional information responsive to this Interrogatory relating to Nguema's
9 relationship with timber companies, including Shimmer, may be ascertained from
10 the COMPLAINT as well as documents that have or will be produced by the
11 Government, including DOJ_0000408-412; DOJ_0001049-1080; DOJ_975-1048;
12 DOJ_778-789.

13 **British Hotel Company**

14 In or around 2003, a British company sought permission to build a Sheraton
15 hotel in Malabo, EG's capital city located on Bioko Island. According to Simon
16 Kareri, a Riggs Bank vice president, Nguema refused to permit the British
17 company to build the Malabo hotel unless its executives agreed to provide him
18 with 55 percent of the hotel's equity. When the British company refused, their
19 hotel project was not allowed to go forward. Nguema purportedly accompanied
20 representatives of this British company to Nguema's Los Angeles home to engage
21 in negotiations about this hotel.

22 Additional information responsive to this Interrogatory relating to this
23 British company may be ascertained from documents that have or will be produced
24 by the Government, including DOJ_000080-87.
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G.E. Petrol

G. E. Petrol is EG's state-owned oil company. According to Kareri, when he was employed at Riggs prior to 2005, G.E. Petrol was still "run by the First Family" of EG and Nguema was the company's "*patron*." In Spanish, which is one of EG's official languages, the word "*patron*" means "master" or "boss." Even though Nguema "flunked high school and does not know how to do anything," according to Kareri, Nguema controlled G.E. Petrol as its "*patron*." Kareri stated that "the big money from the [foreign] oil companies is being paid to the First Family through joint venture projects in EG" and that corrupt payments were disbursed by G.E. Petrol to "so-called oil brokers" controlled by Nguema's family. These brokers, according to Kareri, make further profits for Nguema's family by purchasing oil from G.E. Petrol at discounted rates.

According to Kareri, Nguema's family "may be skimming money from the sale of [EG's] share of oil produced by the oil companies in EG." Nguema, according to Kareri, often made remarks to him suggesting that he is GE Petrol's "*patron*." On one occasion, Kareri recalled that G.E. Petrol requested that he divert directly a certain percentage of EG's oil revenue to an account controlled by G.E. Petrol. Kareri refused.

Similarly, as explained above at Section XI(B), Nguema represented to GAC that he possessed both the ability and the intent to misappropriate public funds from the EG treasury relating to oil production. Specifically, he claimed that he could provide an American oil money with a \$38.5 million "credit memorandum" derived from public funds to acquire a personal asset for himself.

Kareri and Nguema purportedly had a close business and personal relationship. Nguema consulted Kareri frequently about both financial and personal issues, including "personal problems" Nguema had with his father.

1 Kareri commented to his wife, that it was unfortunate that Nguema was “blowing”
2 the money from EG.

3 Additional information responsive to this Interrogatory relating to G.E.
4 Petrol may be ascertained from documents that have or will be produced by the
5 Government, including DOJ_000038-94 and DOJ_0000241-244.

6 **Foreign Oil Companies**

7 Walter International (Walter) was a Houston-based oil company operating in
8 EG. In 1991, Nguema enrolled at Pepperdine University’s English language
9 program in Malibu, California. According to Ambassador John Bennett, a former
10 United States Ambassador to EG during the early 1990s, Nguema’s Pepperdine
11 tuition and expenses were fully paid for by Walter. Elisa Wax, a Pepperdine
12 employee, recalled that Pepperdine received a “steady stream of phone calls from
13 the Beverly Wilshire [Hotel] and shops in Beverly Hills trying to track down
14 [Nguema] to settle outstanding bills.” Wax would direct these calls to Walter
15 International. Ambassador Bennett recalled that Nguema incurred, and Walter
16 paid, \$50,000 in expenses while attending Pepperdine in California.
17

18 In November 2009, Global Witness reported that Nguema received corrupt
19 payments from Elf-Aquitaine, a French oil and gas company. In 2004, thirty
20 senior executives of Elf Aquitaine were charged and convicted in France of
21 distributing bribes and kickbacks in Africa over a period of several decades.

22 A confidential source (“CI 3”), who spoke with federal agents in Miami,
23 Florida, also confirmed that it was his/her belief that Nguema controls the oil
24 industry in EG and that he derives his wealth from illegal activities in EG,
25 including the distribution of counterfeit cigarettes, diamond smuggling and
26 monetary kickbacks in the form of contracts from United States oil companies
27 operating in EG.
28

1 Another confidential source (CI 2), who spoke with federal agents and was a
2 former employee of Nguema in Los Angeles in or around 2006, the same year that
3 Nguema acquired the Sweetwater Property, recalled that Nguema told him/her that
4 the source of his wealth was related to EG's oil resources. CI 2 was an employee
5 of Nguema who worked at the defendant Sweetwater Property. Even though
6 Nguema holds no official position within the EG Government related to the oil
7 industry, CI 2 recalls seeing three "oil officials" meet with Nguema at the
8 Sweetwater Property during the second week of November 2006.

9 Additional information responsive to this Interrogatory relating to Nguema's
10 relationship with the oil and gas industry may be ascertained from documents that
11 have or will be produced by the Government, including DOJ_0000114-0000166;
12 DOJ_0000241-244; DOJ_0000265-268; DOJ_0000388-393; DOJ_0000394-398;
13 DOJ_0000842-863; DOJ_0001049-1080; SENATE-PSI-119217-120245;
14 SENATE-PSI-120318-120347; SENATE-PSI-124429-126128.

15 **Michael Chevaly**

16 An individual named Michael Chevaly allegedly smuggles various
17 fraudulently manufactured consumer goods into Cameroon, Nigeria, Benin, Niger,
18 Chad, Sierra Leone, Liberia, Guinea-Conakry and Gabon. In so doing, Chevaly
19 purportedly uses routes through EG, Niger and Benin to smuggle this merchandise.
20 CI 3 informed federal agents that Nguema possesses a business relationship with
21 Chevaly relating to this illegal conduct. Additional information responsive to this
22 Interrogatory relating to the relationship between Nguema and Chevaly may be
23 ascertained from documents that have or will be produced by the Government,
24 including DOJ_0000246-251.
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INTERROGATORY NO. 17

State all facts that support the allegations in Paragraph 76 of YOUR COMPLAINT that "Nguema has misappropriated, embezzled and stolen government funds and resources in violation of EG law," and IDENTIFY (a) all sources of such facts; (b) the date YOU first became aware of such facts; (c) all PERSONS with knowledge of such facts; and (d) all DOCUMENTS that REFER OR RELATE TO such facts.

RESPONSE TO INTERROGATORY NO. 17

The United States objects to this Interrogatory as it is overly broad and unduly burdensome, as it seeks information obtained by the Government after the filing of the COMPLAINT and is not limited by temporal scope. The United States objects to Claimants' Interrogatories, including but not limited to all Instructions and Definitions therein, to the extent that they purport to impose obligations on the Government beyond the scope of the Discovery Order. On September 6, 2012, the Court authorized Claimants to propound limited discovery on the probable cause the United States had when it filed the instant forfeiture action. As such, to the extent that this Interrogatory seeks information beyond the scope of the Discovery Order, the Government objects and will not produce such information, as it is neither relevant nor reasonably calculated to discover evidence that the Government had for purposes of probable cause when it filed the present action. The United States does, however, expressly reserve the right to supplement, clarify, revise, or correct any or all of the Responses and Objections (General and Specific) herein consistent with Fed. R. Civ. P. 26(e), and to assert additional objections or privileges, in one or more subsequent supplemental response(s).

The United States further objects to this Interrogatory to the extent it calls for a narrative. See, e.g., Wilcox v. Changala, 2012 U.S. Dist. LEXIS 5471, at

*6-7 (E. D. Wash. Jan. 18, 2012) (contention interrogatories that “ask the responding party to identify each and every supporting fact about a particular allegation are an abuse of the discovery process”). The United States further objects to this Interrogatory on the grounds that it calls for the disclosure of information subject to the attorney-client privilege, the work product doctrine or the informant’s privilege. The United States objects to Claimants’ Interrogatories, including but not limited to all Instructions and Definitions therein, to the extent that they seek information outside the possession, custody or control of DOJ and ICE. The United States further objects to this Interrogatory as it is overly broad and unduly burdensome, as the definition of “YOUR” includes foreign sovereign governments and entities other than DOJ and ICE.

The United States also objects to this Interrogatory on the ground that it is compound and contains impermissible discrete subparts, which relate to distinct matters and therefore constitutes multiple interrogatories. See, e.g., Sattari v. Citi Mortgage, 2010 U.S. Dist. LEXIS 125687, at *3 (D. Nev. Nov. 17, 2010) (interrogatories “should consist of a brief, simple, direct, and unambiguous question, dealing with one point only.”). The United States further objects to this Interrogatory on the ground that, when combined with the preceding Interrogatories, this Interrogatory violates the 25 interrogatory limit set forth in Fed. R. Civ. P. 33(a)(1). Because the Government has already responded to 25 interrogatories, it is not required to respond to this Interrogatory. See Capaccione v. Charlotte-Mecklenburg Schools, 182 F.R.D. 486, 496, n. 4 (W.D.N.C. 1998).

To the extent that that this request seeks information relating to the recruitment or handling of confidential informants by a federal law enforcement agency, the United States objects to the request and will not produce that information. See, e.g., Roviario v. United States, 353 U.S. 53 (1957). The United

1 States further objects to this Interrogatory as it is unnecessary and unduly
 2 burdensome, as it is duplicative and redundant of Interrogatory No. 1.

3 Subject to and without waiving the foregoing general and specific
 4 objections, the United States responds as follows:

5 **I.**
 6 **NGUEMA'S MISAPPROPRIATION, THEFT**
 7 **AND EMBEZZLEMENT OF PUBLIC FUNDS**

8 **Nguema's Abuse and Manipulation of Public Infrastructure Contracts to**
 9 **Misappropriate Public Funds**

10 After oil was discovered in EG during the 1990s, EG invested hundreds of
 11 millions of dollars in building public infrastructure projects. In February 2003, at
 12 the age of thirty-three, Nguema was appointed by his father to the newly-created
 13 post of EG's Minister of Infrastructure and Forests. Three years later, Nguema
 14 managed to wire more than \$68 million out of EG to acquire both the defendant
 15 Sweetwater Property and a \$38 million Gulfstream GV jet aircraft.

16 In an affidavit Nguema filed with the Cape Town High Court in South
 17 Africa on August 8, 2006, the same year that Nguema acquire the Sweetwater
 18 Property, Nguema acknowledged that he, like other EG cabinet ministers, bids on
 19 and benefits from obtaining government contracts awarded to them by his father's
 20 government. In that affidavit, Nguema affirmed:

21 Cabinet Ministers and public servants in Equatorial Guinea are by law
 22 allowed to [own] companies that, in consortium with a foreign company, can
 23 bid for government contracts and should the company be successful, then
 24 what percentage of the total cost of the contract the company gets, will
 25 depend on the terms negotiated between the parties.
 26 But, in any event, it means that a cabinet minister ends up with a sizeable
 part of the contract price in his bank account.

27 * * *

1 One of the companies that I own is SOCIEDAD DE CARRETERAS DE
2 GUINEA ECUATORIAL (“SOCAGE”), with a bank account at the CCEI
3 BANK GE, in BATA, the commercial capital of [EG].

4 EG’s infrastructure and construction industry, which Nguema was
5 responsible for regulating when he was EG’s Infrastructure Minister, is where
6 corruption is the most pronounced, according to a report drafted by Ambassador
7 Fernandez in 2011. EG’s corruption exists in its “murkier transactions such as
8 sweetheart deals, influence peddling, construction contracts and finder’s fees.” On
9 March 21, 2011, Nguema met with Ambassador Fernandez and claimed that his
10 personal wealth was attributable to infrastructure contracts awarded to his private
11 businesses by the EG Government—the very industry that Ambassador Fernandez
12 concluded was where corruption was most prevalent in EG, and the same industry
13 that Nguema was in charge of regulating as Infrastructure Minister.

14 In 2009, Anton Smith, the United States Embassy’s deputy chief of mission,
15 noted that he was also concerned that the awarding of public infrastructure
16 contracts in EG was particularly vulnerable to corruption. According to Smith, “It
17 is in these downstream, public expenditures that we lose visibility and in which the
18 greatest opportunities for corruption persist. Rumors abound of influence buying,
19 bid rigging and kickbacks” in EG. With respect to Nguema specifically, Smith
20 noted that Nguema “lives the life of an international playboy and is widely accused
21 of corruption.”

22 Indeed, by March 2004, two years prior to Nguema’s acquisition of the
23 Sweetwater Property, Africa Confidential, a U.K. based publication focusing on
24 Africa, reported that, “[Nguema] control[led] much of the infrastructure portfolio”
25 funded by the EG Government’s oil revenues. Africa Confidential reported that:

26 The generals who had previously run lucrative cartels in consumer
27 imports, air and road transport, construction and cement etc. then had
28

1 to secure approval from [Nguema's Infrastructure] Ministry. He tried
2 to block merchandise coming in for [other EG officials and
3 businesses]. Compared by some to Iraq's late Uday Hussein,
4 [Nguema] expanded his empire rapidly and started pressuring French,
Spanish and other foreign companies.

5 Additional information responsive to this Interrogatory relating to Nguema's
6 involvement in EG's construction and infrastructure sector may be ascertained
7 from the COMPLAINT as well as documents that have or will be produced by the
8 Government, including DOJ_0000584-592; DOJ_688-718; DOJ_0001049-1080;
9 DOJ_1652-1904; DOJ_0000303-308; DOJ_0000315-321; DOJ_0000413-416;
10 DOJ_0000417-421; DOJ_0000422-425; DOJ_0000426-430; DOJ_0000431-434;
11 DOJ_0000834-837; DOJ_0000864-871; DOJ_00003853-3913; DOJ_0000946-
12 950.

13 **Nguema's Corrupt Relationship with General Work.**

14 General Work is a major construction company in EG specializing in large-
15 scale government infrastructure projects. Italian law enforcement authorities,
16 including officers of the Guardia di Finanzia (GdF), Italy's financial police,
17 reported that they believed that between 2000 and 2007 Nguema stole EG public
18 funds by funneling government revenue through General Work. General Work
19 was originally formed by two Italian nationals Giulio Cistaro and Giuseppe Vona
20 in 2001 and managed by Vona, Andrew Mannarino and Igor Celotti. Because of
21 Celotti's close relationship to President Obiang, General Work was awarded major
22 government infrastructure contracts in EG beginning in the early 2000s. By 2011,
23 General Work had become one of the largest construction companies in EG. The
24 GdF believed that 45 percent of the revenue earned by General Work in EG was
25 funneled as kickbacks to Nguema. During this same time period, Nguema
26 acquired the defendant Sweetwater Property, sent hundreds of thousands of dollars
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1 from EG into the United States to fraudulently opened bank accounts for the
2 maintenance and upkeep of this property, and made tens of millions of dollars of
3 lavish expenditures and purchases.

4 The Judicial Police Squad at the Procure in Udine, Italy identified a network
5 of bank accounts in Italy, Austria, Spain, Monte Carlo and Luxembourg controlled
6 by Nguema and his father. The GdF explained that they believed that these
7 accounts were derived from monies embezzled from the EG Government by
8 Nguema and President Obiang through infrastructure contracts awarded to General
9 Work by President Obiang.

10 In 2007, Celotti was killed in an airplane crash near Mongomo, a city on
11 EG's mainland. The GdF believed that the circumstances surrounding this crash
12 were suspicious. One month prior to his death, Celotti transferred his corporate
13 holdings, including 45 percent of General Work's equity, to his wife Anna Maria
14 Moro. After Celotti's death, Gimmy Ricci, another Italian businessman, was
15 appointed as General Work's new general manager. In addition to acquiring
16 managerial control of General Work, Ricci worked with Moro to form several
17 additional legal entities and companies to serve as receptacles for General Work's
18 ill-gotten revenue. The remaining equity in General Work was acquired by
19 Nguema's family. According to the GdF, Nguema's family provided no
20 compensation to other shareholders in exchange for their shares.

21 After Celotti's death in 2007, the GdF conducted an extensive investigation
22 into General Work and Celotti's financial affairs. In connection with this
23 investigation, the GdF interviewed former employees and associates of General
24 Work, including Cistaro and Vona. In addition, they performed a search of Moro's
25 residence in the Friuli region of Italy. Cistaro and Vona informed the GdF that
26 Nguema's family fraudulently assumed control of General Work. Based upon
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1 their investigation, including an analysis of financial and banking records obtained
2 by the Gdf from Moro, Italian law enforcement authorities concluded that Nguema
3 and his father jointly owned and controlled a network of international bank
4 accounts that contained stolen government monies misappropriated from EG's
5 treasury through General Work's government construction contracts.

6 When Nguema was negotiating the purchase of the \$30 million defendant
7 Sweetwater Property, he sent and received faxes regarding this real estate
8 transaction from Celotti's office at General Work in EG. For instance, in or
9 around April 2, 2006, Nguema signed and faxed a copy of the Supplemental
10 Escrow Instructions, the Residential Lease After Sale, and the Addendum to the
11 Residential Lease After Sale—all pertaining to the purchase of the defendant
12 Sweetwater Property—to Nagler's office from a fax number in EG (00240)
13 084096. This EG fax number belonged to Celotti. Furthermore, in connection
14 with wiring funds from EG into the United States to support the maintenance and
15 upkeep of the Sweetwater Property, Michael Berger faxed a letter in or around
16 January 20, 2008, to Celotti's fax line in EG, stating, "Here is the information that
17 you need to wire transfer money to Unlimited Horizon, Inc., account at
18 Commercial Capital Bank." In this same letter, Berger detailed Unlimited
19 Horizon's bank account information, the address of Commercial Capital Bank in
20 Beverly Hills and the bank's telephone number and routing number.

21 Additional information responsive to this Interrogatory relating to the
22 relationship between Nguema and General Work may be ascertained from the
23 COMPLAINT and documents that have or will be produced by the Government,
24 including DOJ_0000303-308; DOJ_0000315-321; DOJ_0000413-416;
25 DOJ_0000417-421; DOJ_0000422-425; DOJ_0000426-430; DOJ_0000431-434;
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1 DOJ_0000809-816; DOJ_00003853-3913; SENATE-PSI-86730; SENATE-PSI-
2 93976; SENATE-PSI-94046; SENATE-PSI-96238-96240.

3 **Nguema's Attempt to Misappropriate \$40 Million in Public Funds to Acquire**
4 **a Gulfstream Jet**

5 In 2004, two years before Nguema acquired the defendant Sweetwater
6 Property, Nguema contacted Gulfstream Aerospace Corporation (GAC) and
7 expressed interest in purchasing a \$40 million aircraft from GAC. Stephen Arnold
8 Fuller, GAC's regional vice president for Sub-Saharan Africa, recalled that
9 Nguema informed GAC that he intended to finance the purchase of this aircraft by
10 diverting \$40 million in public funds from the EG Government through an
11 American oil company.

12 Nguema told Mr. Fuller that he could and would pay for the \$40 million
13 aircraft with public funds by having an "American oil company" initially pay GAC
14 for the aircraft. EG would then, according to Nguema, "repay the American oil
15 company through credits to the company's local account in EG." In a letter dated
16 April 20, 2004, Fuller confirmed that Nguema was proposing to purchase from
17 GAC a Gulfstream 550 with misappropriated public funds. Mr. Fuller stated in
18 that letter:
19

20 [Nguema] is suggesting that [GAC] contact the Chairman of Ocean
21 Energy in Houston, Texas with regard to the Gulfstream 550. There
22 may be an advantage in assigning the Sales Agreement to Ocean
23 Energy and having that company assume the payment obligations for
24 the Gulfstream 550. In return, the Government [of EG] would issue a
25 Credit Memorandum to Ocean Energy for amounts payable in
26 connection with oil production.

27 Raymond Banoun, managing partner of Cadwalader, Wickersham & Taft,
28 LLP, a New York-based law firm, served as an attorney for GAC in connection
with this transaction. Like Mr. Fuller, Mr. Banoun recalled that in 2004, Nguema

1 represented to GAC that he would misappropriate EG public funds by (i) having
2 Ocean Energy, an American oil company, purchase the \$40 million aircraft and
3 “assume the payments on his behalf” and then (ii) “in return” have the “Equatorial
4 Guinea government [] issue a credit memo to Ocean Energy for monies connected
5 with oil production in Equatorial Guinea.”

6 Additional information responsive to this Interrogatory relating to Nguema’s
7 relationship and communications with GAC may be ascertained from the
8 COMPLAINT as well as documents that have or will be produced by the
9 Government, including DOJ_0000114-166; DOJ_0000388-393; SENATE-PSI-
10 119217-120245; SENATE-PSI-120318-120347; SENATE-PSI-124429-126128.

11 **Accusations of Direct Diversion of EG Public Funds**

12 In South Africa, George Ehlers, a South African businessman, filed a lawsuit
13 in the Cape Town High Court against the EG Government. In that litigation which
14 was filed in or around July 2005, less than one year prior to Nguema’s acquisition
15 of the Sweetwater Property, Ehlers alleged that the EG Government was in breach
16 of a \$7.8 million government infrastructure contract with his company,
17 Engineering Design and Construction Company. After the EG Government seized
18 some of his company’s assets in EG and refused to pay his company for its
19 services, Ehlers filed a lawsuit seeking to attach two homes valued at \$7 million
20 owned by Nguema in South Africa. The two homes were located at Erf 477
21 Clifton Ridge and Erf 303 Constantia in Cape Town. The funds used to purchase
22 these properties were wired in 2004 into South Africa from an account at CCEI
23 Bank in EG held in the name of Socage, an EG company owned by Nguema.

24 Ehlers alleged that because Nguema could not have afforded to purchase
25 these assets on his income as an EG public official, Nguema must have used funds
26 misappropriated from the EG Government to acquire and renovate these properties.
27
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1 Indeed, even the contractors hired to renovate the property believed that these
2 assets were owned by the EG Government. In support of his lawsuit, Ehlers filed
3 an affidavit executed by Patricia Fuller. Fuller recalled that she spoke with Peter
4 McNamara, a contractor hired to renovate Nguema's property in Constantia.
5 McNamara, according to Fuller, advised her that he had never heard of Nguema
6 and that he was communicating with the EG Government about how to renovate
7 the property. Furthermore, McNamara claimed that he was under the impression
8 that the property belonged to the EG Government. McNamara submitted an
9 invoice for in or around R 3,144,524 (approximately \$359,532) to Jacques Levy,
10 an interior decorator in Switzerland, for his services relating to Nguema's house in
11 Constantia. As McNamara had no knowledge of Nguema, and was receiving his
12 instructions from the EG Government regarding the home's renovations, Ehlers
13 alleged that the funds used to acquire and renovate these properties were
14 misappropriated from the EG Government. Although Ehlers prevailed against
15 Nguema before the trial court, an appellate court reversed that decision on other
16 grounds.
17

18 Additional information responsive to this Interrogatory relating to Mr.
19 Ehlers' lawsuit in South Africa may be ascertained from documents that have or
20 will be produced by the Government, including DOJ_0000281-284;
21 DOJ_0000464-469; DOJ_0001049-1080; DOJ_1652-1904; DOJ_0000890-893.
22

23 II.

24 EXTORTION AND BRIBERY

25 Beginning in the 1990s, Nguema, as described in the COMPLAINT,
26 received and demanded that companies in E.G provide him with money or property
27 in order to be able to maintain and operate their businesses. Nguema abused his
28 authority and influence within the EG Government both as a member of the cabinet

1 and President Obiang's eldest son to make these demands and to retaliate against
2 those who refused to acquiesce.

3 **Extortion and Solicitation of Bribes from Forestry Companies**

4 In 1998, at the age of 29, Nguema was appointed by his father to serve as
5 EG's first-ever Minister of Forestry and Agriculture. Timber is EG's second
6 largest and most valuable export commodity. Nguema's Forestry Ministry
7 (Ministry) controls timber harvesting operations in EG. The Ministry also controls
8 timber exports. In order to export timber from EG, Nguema requires that timber
9 companies obtain an export authorization document that is personally signed by
10 him. Timber companies incur expenses of up to \$5,000 per day if Nguema delays
11 in signing these requests.

12 **Extortion Payments and Bribes from Forestry Companies**

13 Foreign timber executives claim that their companies were routinely
14 required to pay bribes to Nguema in order to do business in EG. Foreign Policy
15 Magazine quoted one timber executive as stating, "[Nguema] would call
16 emergency meetings of all the logging company heads in which he would
17 announce some new tax on logging operations." According to this executive,
18 Nguema charged timber companies an extra so-called "tax" that they were forced
19 to pay him personally for wood harvested in EG. Nguema purportedly charged
20 timber companies directly per cubic meter of timber harvested by that company.

21 A French timber executive, identified as "Jean Michel" in this same Foreign
22 Policy Magazine article, reported that Nguema seized the French logging company
23 he worked for in EG. It was impossible, according to Jean Michel, for timber
24 companies to do business in EG without paying bribes to Nguema. Although Jean
25 Michel's company initially paid Nguema the bribes that he demanded, the EG
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1 military shut down this company's operations and expelled its personnel from EG
2 after it refused to make any further bribe payments to Nguema.

3 Independent NGOs have also reported that Nguema extorts payments and
4 solicits bribes from timber companies in EG. For instance, a former United States
5 intelligence official, who was familiar with EG, reported to Global Witness, that
6 Nguema solicits and accepts bribes from Malaysian, North Korean and Chinese
7 timber companies. According to this intelligence official, "There were Malaysian,
8 North Korean, and Chinese logging camps on the mainland [of EG], and [Nguema]
9 collected cash from them . . . for logging operations, much of it involving valuable
10 hardwood."

11 While Nguema solicits and collects bribes from foreign timber companies,
12 he also permits these same companies to violate EG's forestry laws and
13 regulations. Indeed, according to representatives of the Environmental
14 Investigation Agency (EIA), an environmental NGO, corruption is pervasive in
15 EG's forestry sector and some foreign timber companies, including Shimmer
16 International of Malaysia (Shimmer), are permitted illegally to harvest timber in
17 EG's protected forests reserves.
18

19 Several independent NGOs, including Forest Monitor, Green Peace and the
20 World Rain Forest Movement, confirmed that Nguema does not enforce EG's
21 forestry laws on some foreign timber companies, including Shimmer. For
22 instance, Shimmer engages in illegal logging in protected national forests in EG,
23 including Monte Alen, even though these forest reserves are protected from
24 industrial logging under EG's Forestry Law. Greenpeace reported that in 2004,
25 "Enforcement of legal requirements is virtually non-existent in commercial
26 logging" in EG. Similarly, Forests Monitor, a U.K. NGO, concluded in 2001 that,
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1 “[i]n practice, enforcement of all the various legal requirements [in EG’s forestry
2 sector] is virtually non-existent.”

3 Likewise, while Nguema held the position of Forestry Minister, some timber
4 companies were permitted to overcut EG’s forests. Although EG’s Forestry Law
5 places limits on how much timber can be harvested by concessionaires and
6 requires these entities to process 60 percent of their timber in EG, many timber
7 companies, including Shimmer, were operating in violation of these rules.
8 According to a United States Forest Service ranger, who visited EG between July
9 31, 2004, and August 15, 2004, “[i]t is clear that in some areas that [EG] forests
10 [were] being overcut.” Similarly, EIA representatives confirmed that Shimmer, the
11 dominant timber company in EG, was permitted to illegally export the bulk of its
12 raw timber to China without processing it domestically.

13 Additional information responsive to this Interrogatory relating to Nguema’s
14 control of EG’s forestry sector and his solicitation of bribes and extortion
15 payments from timber companies may be ascertained from the COMPLAINT and
16 documents that have or will be produced by the Government, including
17 DOJ_0000408-412; DOJ_0001049-1080; DOJ_0000842-863; DOJ_0000614-615;
18 DOJ_975-1048; DOJ_758-777; DOJ_778-789.

19
20 **Nguema’s Relationship with Shimmer International**

21 Nguema reportedly maintains a close working relationship with Shimmer
22 that benefits him personally. While Nguema was its head, EG’s Forestry Ministry
23 awarded Shimmer substantial forestry concessions. Shimmer was the largest and
24 most dominant forestry company in EG. Indeed, in 2006, the same year that
25 Nguema purchased the Sweetwater Property, Shimmer was responsible for more
26 than 66 percent of the timber harvested in that country. According to a former
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1 U.S. intelligence official who spoke with Global Witness, Nguema solicited and
2 collected bribes from Shimmer in EG.

3 Nguema confirmed to U.S. diplomats at the Embassy in 2009 that he
4 permitted a Malaysian company to deploy 40 teams of well-equipped lumberjacks
5 to “clear cut” a “large tract of pristine continental jungle” that was “granted” to
6 him by the EG Government. Nguema then purportedly earned a “large windfall”
7 by exporting this raw timber to Asia. It is illegal under EG’s Forestry law to
8 permit this type of “clear cutt[ing].” EG law also requires timber concessionaires,
9 like Nguema, to process domestically a minimum of 60 percent of the raw timber
10 they harvest from their concessions. Nguema, however, exported his raw timber as
11 “whole logs” to Asia. Although it was Nguema’s responsibility as EG’s Forestry
12 Minister to enforce these laws, Nguema explained to U.S. diplomats that this
13 illegal “windfall” was the source of his personal wealth.

14 Additional information responsive to this Interrogatory relating to Nguema’s
15 relationship with timber companies, including Shimmer, may be ascertained from
16 the COMPLAINT as well as documents that have or will be produced by the
17 Government, including DOJ_0000408-412; DOJ_0001049-1080; DOJ_975-1048;
18 DOJ_778-789.

19
20 **British Hotel Company**

21 In or around 2003, a British company sought permission to build a Sheraton
22 hotel in Malabo, EG’s capital city located on Bioko Island. According to Simon
23 Kareri, a Riggs Bank vice president, Nguema refused to permit the British
24 company to build the Malabo hotel unless its executives agreed to provide him
25 with 55 percent of the hotel’s equity. When the British company refused, their
26 hotel project was not allowed to go forward. Nguema purportedly accompanied
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1 representatives of this British company to Nguema's Los Angeles home to engage
2 in negotiations about this hotel.

3 Additional information responsive to this Interrogatory relating to this
4 British company may be ascertained from documents that have or will be produced
5 by the Government, including DOJ_000080-87.

6 **G.E. Petrol**

7 G. E. Petrol is EG's state-owned oil company. According to Kareri, when
8 he was employed at Riggs prior to 2005, G.E. Petrol was still "run by the First
9 Family" of EG and Nguema was the company's "*patron*." In Spanish, which is
10 one of EG's official languages, the word "*patron*" means "master" or "boss."
11 Even though Nguema "flunked high school and does not know how to do
12 anything," according to Kareri, Nguema controlled G.E. Petrol as its "*patron*".
13 Kareri stated that "the big money from the [foreign] oil companies is being paid to
14 the First Family through joint venture projects in EG" and that corrupt payments
15 were disbursed by G.E. Petrol to "so-called oil brokers" controlled by Nguema's
16 family. These brokers, according to Kareri, make further profits for Nguema's
17 family by purchasing oil from G.E. Petrol at discounted rates.

18 According to Kareri, Nguema's family "may be skimming money from the
19 sale of [EG's] share of oil produced by the oil companies in EG." Nguema,
20 according to Kareri, often made remarks to him suggesting that he is GE Petrol's
21 "*patron*." On one occasion, Kareri recalled that G.E. Petrol requested that he
22 divert directly a certain percentage of EG's oil revenue to an account controlled by
23 G.E. Petrol. Kareri refused.

24 Similarly, as explained above at Section XI(B), Nguema represented to GAC
25 that he possessed both the ability and the intent to misappropriate public funds
26 from the EG treasury relating to oil production. Specifically, he claimed that he
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28

1 could provide an American oil money with a \$38.5 million “credit memorandum”
2 derived from public funds to acquire a personal asset for himself.

3 Kareri and Nguema purportedly had a close business and personal
4 relationship. Nguema consulted Kareri frequently about both financial and
5 personal issues, including “personal problems” Nguema had with his father.
6 Kareri commented to his wife, that it was unfortunate that Nguema was “blowing”
7 the money from EG.

8 Additional information responsive to this Interrogatory relating to G.E.
9 Petrol may be ascertained from documents that have or will be produced by the
10 Government, including DOJ_000038-94 and DOJ_0000241-244.

11 **Foreign Oil Companies**

12 Walter International (Walter) was a Houston-based oil company operating in
13 EG. In 1991, Nguema enrolled at Pepperdine University’s English language
14 program in Malibu, California. According to Ambassador John Bennett, a former
15 United States Ambassador to EG during the early 1990s, Nguema’s Pepperdine
16 tuition and expenses were fully paid for by Walter. Elisa Wax, a Pepperdine
17 employee, recalled that Pepperdine received a “steady stream of phone calls from
18 the Beverly Wilshire [Hotel] and shops in Beverly Hills trying to track down
19 [Nguema] to settle outstanding bills.” Wax would direct these calls to Walter
20 International. Ambassador Bennett recalled that Nguema incurred, and Walter
21 paid, \$50,000 in expenses while attending Pepperdine in California.
22

23 In November 2009, Global Witness reported that Nguema received corrupt
24 payments from Elf-Acquitaine, a French oil and gas company. In 2004, thirty
25 senior executives of Elf Acquitaine were charged and convicted in France of
26 distributing bribes and kickbacks in Africa over a period of several decades.
27
28

1 A confidential source ("CI 3"), who spoke with federal agents in Miami,
2 Florida, also confirmed that it was his/her belief that Nguema controls the oil
3 industry in EG and that he derives his wealth from illegal activities in EG,
4 including the distribution of counterfeit cigarettes, diamond smuggling and
5 monetary kickbacks in the form of contracts from United States oil companies
6 operating in EG.

7 Another confidential source (CI 2), who spoke with federal agents and was a
8 former employee of Nguema in Los Angeles in or around 2006, the same year that
9 Nguema acquired the Sweetwater Property, recalled that Nguema told him/her that
10 the source of his wealth was related to EG's oil resources. CI 2 was an employee
11 of Nguema who worked at the defendant Sweetwater Property. Even though
12 Nguema holds no official position within the EG Government related to the oil
13 industry, CI 2 recalls seeing three "oil officials" meet with Nguema at the
14 Sweetwater Property during the second week of November 2006.

15 Additional information responsive to this Interrogatory relating to Nguema's
16 relationship with the oil and gas industry may be ascertained from documents that
17 have or will be produced by the Government, including DOJ_0000114-0000166;
18 DOJ_0000241-244; DOJ_0000265-268; DOJ_0000388-393; DOJ_0000394-398;
19 DOJ_0000842-863; DOJ_0001049-1080; SENATE-PSI-119217-120245;
20 SENATE-PSI-120318-120347; SENATE-PSI-124429-126128.

21 **Michael Chevaly**

22 An individual named Michael Chevaly allegedly smuggles various
23 fraudulently manufactured consumer goods into Cameroon, Nigeria, Benin, Niger,
24 Chad, Sierra Leone, Liberia, Guinea-Conakry and Gabon. In so doing, Chevaly
25 purportedly uses routes through EG, Niger and Benin to smuggle this merchandise.
26 CI 3 informed federal agents that Nguema possesses a business relationship with
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1 Chevaly relating to this illegal conduct. Additional information responsive to this
2 Interrogatory relating to the relationship between Nguema and Chevaly may be
3 ascertained from documents that have or will be produced by the Government,
4 including DOJ_0000246-251.

5
6 **INTERROGATORY NO. 18**

7 State all facts that support the allegations in Paragraph 87 of YOUR
8 COMPLAINT that "Nguema diverted EG public resources and monies for his
9 personal use," and IDENTIFY (a) all sources of such facts; (b) the date YOU first
10 became aware of such facts; (c) all PERSONS with knowledge of such facts; and
11 (d) all DOCUMENTS that REFER OR RELATE TO such facts .

12 **RESPONSE TO INTERROGATORY NO. 18**

13 The United States objects to this Interrogatory as it is overly broad and
14 unduly burdensome, as it seeks information obtained by the Government after the
15 filing of the COMPLAINT and is not limited by temporal scope. The United
16 States objects to Claimants' Interrogatories, including but not limited to all
17 Instructions and Definitions therein, to the extent that they purport to impose
18 obligations on the Government beyond the scope of the Discovery Order. On
19 September 6, 2012, the Court authorized Claimants to propound limited discovery
20 on the probable cause the United States had when it filed the instant forfeiture
21 action. As such, to the extent that this Interrogatory seeks information beyond the
22 scope of the Discovery Order, the Government objects and will not produce such
23 information, as it is neither relevant nor reasonably calculated to discover evidence
24 that the Government had for purposes of probable cause when it filed the present
25 action. The United States does, however, expressly reserve the right to
26 supplement, clarify, revise, or correct any or all of the Responses and Objections
27 (General and Specific) herein consistent with Fed. R. Civ. P. 26(e), and to assert
28

1 additional objections or privileges, in one or more subsequent supplemental
2 response(s).

3 The United States further objects to this Interrogatory to the extent it calls
4 for a narrative. See, e.g., Wilcox v. Changala, 2012 U.S. Dist. LEXIS 5471, at
5 *6-7 (E. D. Wash. Jan. 18, 2012) (contention interrogatories that “ask the
6 responding party to identify each and every supporting fact about a particular
7 allegation are an abuse of the discovery process”). The United States further
8 objects to this Interrogatory on the grounds that it calls for the disclosure of
9 information subject to the attorney-client privilege, the work product doctrine or
10 the informant’s privilege. The United States objects to Claimants’ Interrogatories,
11 including but not limited to all Instructions and Definitions therein, to the extent
12 that they seek information outside the possession, custody or control of DOJ and
13 ICE. The United States further objects to this Interrogatory as it is overly broad
14 and unduly burdensome, as the definition of “YOUR” includes foreign sovereign
15 governments and entities other than DOJ and ICE. The United States further
16 objects to this Interrogatory as vague and ambiguous, especially with respect its
17 use of the word “component.”
18

19 The United States also objects to this Interrogatory on the ground that it is
20 compound and contains impermissible discrete subparts, which relate to distinct
21 matters and therefore constitutes multiple interrogatories. See, e.g., Sattari v. Citi
22 Mortgage, 2010 U.S. Dist. LEXIS 125687, at *3 (D. Nev. Nov. 17, 2010)
23 (interrogatories “should consist of a brief, simple, direct, and unambiguous
24 question, dealing with one point only.”). The United States further objects to this
25 Interrogatory on the ground that, when combined with the preceding
26 Interrogatories, this Interrogatory violates the 25 interrogatory limit set forth in
27 Fed. R. Civ. P. 33(a)(1). Because the Government has already responded to 25
28

1 interrogatories, it is not required to respond to this Interrogatory. See Capaccione
 2 v. Charlotte-Mecklenburg Schools, 182 F.R.D. 486, 496, n. 4 (W.D.N.C. 1998).

3 To the extent that that this request seeks information relating to the
 4 recruitment or handling of confidential informants by a federal law enforcement
 5 agency, the United States objects to the request and will not produce that
 6 information. See, e.g., Roviario v. United States, 353 U.S. 53 (1957). The United
 7 States further objects to this Interrogatory as it is unnecessary and unduly
 8 burdensome, as it is duplicative and redundant of Interrogatory No. 1.

9 Subject to and without waiving the foregoing general and specific
 10 objections, the United States responds as follows:

11 **I.**
 12 **NGUEMA'S MISAPPROPRIATION, THEFT**
 13 **AND EMBEZZLEMENT OF PUBLIC FUNDS**

14 **Nguema's Abuse and Manipulation of Public Infrastructure Contracts to**
 15 **Misappropriate Public Funds**

16 After oil was discovered in EG during the 1990s, EG invested hundreds of
 17 millions of dollars in building public infrastructure projects. In February 2003, at
 18 the age of thirty-three, Nguema was appointed by his father to the newly-created
 19 post of EG's Minister of Infrastructure and Forests. Three years later, Nguema
 20 managed to wire more than \$68 million out of EG to acquire both the defendant
 21 Sweetwater Property and a \$38 million Gulfstream GV jet aircraft.

22 In an affidavit Nguema filed with the Cape Town High Court in South
 23 Africa on August 8, 2006, the same year that Nguema acquire the Sweetwater
 24 Property, Nguema acknowledged that he, like other EG cabinet ministers, bids on
 25 and benefits from obtaining government contracts awarded to them by his father's
 26 government. In that affidavit, Nguema affirmed:
 27
 28

1 Cabinet Ministers and public servants in Equatorial Guinea are by law
2 allowed to [own] companies that, in consortium with a foreign company, can
3 bid for government contracts and should the company be successful, then
4 what percentage of the total cost of the contract the company gets, will
5 depend on the terms negotiated between the parties.

6 But, in any event, it means that a cabinet minister ends up with a sizeable
7 part of the contract price in his bank account.

8 * * *

9 One of the companies that I own is SOCIEDAD DE CARRETERAS DE
10 GUINEA ECUATORIAL (“SOCAGE”), with a bank account at the CCEI
11 BANK GE, in BATA, the commercial capital of [EG].

12 EG’s infrastructure and construction industry, which Nguema was
13 responsible for regulating when he was EG’s Infrastructure Minister, is where
14 corruption is the most pronounced, according to a report drafted by Ambassador
15 Fernandez in 2011. EG’s corruption exists in its “murkier transactions such as
16 sweetheart deals, influence peddling, construction contracts and finder’s fees.” On
17 March 21, 2011, Nguema met with Ambassador Fernandez and claimed that his
18 personal wealth was attributable to infrastructure contracts awarded to his private
19 businesses by the EG Government—the very industry that Ambassador Fernandez
20 concluded was where corruption was most prevalent in EG, and the same industry
21 that Nguema was in charge of regulating as Infrastructure Minister.

22 In 2009, Anton Smith, the United States Embassy’s deputy chief of mission,
23 noted that he was also concerned that the awarding of public infrastructure
24 contracts in EG was particularly vulnerable to corruption. According to Smith, “It
25 is in these downstream, public expenditures that we lose visibility and in which the
26 greatest opportunities for corruption persist. Rumors abound of influence buying,
27 bid rigging and kickbacks” in EG. With respect to Nguema specifically, Smith
28 noted that Nguema “lives the life of an international playboy and is widely accused
of corruption.”

1 Indeed, by March 2004, two years prior to Nguema's acquisition of the
 2 Sweetwater Property, Africa Confidential, a U.K. based publication focusing on
 3 Africa, reported that, "[Nguema] control[led] much of the infrastructure portfolio"
 4 funded by the EG Government's oil revenues. Africa Confidential reported that:

5 The generals who had previously run lucrative cartels in consumer
 6 imports, air and road transport, construction and cement etc. then had
 7 to secure approval from [Nguema's Infrastructure] Ministry. He tried
 8 to block merchandise coming in for [other EG officials and
 9 businesses]. Compared by some to Iraq's late Uday Hussein,
 [Nguema] expanded his empire rapidly and started pressuring French,
 Spanish and other foreign companies.

10 Additional information responsive to this Interrogatory relating to Nguema's
 11 involvement in EG's construction and infrastructure sector may be ascertained
 12 from the COMPLAINT as well as documents that have or will be produced by the
 13 Government, including DOJ_0000584-592; DOJ_688-718; DOJ_0001049-1080;
 14 DOJ_1652-1904; DOJ_0000303-308; DOJ_0000315-321; DOJ_0000413-416;
 15 DOJ_0000417-421; DOJ_0000422-425; DOJ_0000426-430; DOJ_0000431-434;
 16 DOJ_0000834-837; DOJ_0000864-871; DOJ_00003853-3913; DOJ_0000946-
 17 950.
 18

19 **Nguema's Corrupt Relationship with General Work.**

20 General Work is a major construction company in EG specializing in large-
 21 scale government infrastructure projects. Italian law enforcement authorities,
 22 including officers of the Guardia di Finanzia (GdF), Italy's financial police,
 23 reported that they believed that between 2000 and 2007 Nguema stole EG public
 24 funds by funneling government revenue through General Work. General Work
 25 was originally formed by two Italian nationals Giulio Cistaro and Giuseppe Vona
 26 in 2001 and managed by Vona, Andrew Mannarino and Igor Celotti. Because of
 27 Celotti's close relationship to President Obiang, General Work was awarded major
 28

1 government infrastructure contracts in EG beginning in the early 2000s. By 2011,
2 General Work had become one of the largest construction companies in EG. The
3 GdF believed that 45 percent of the revenue earned by General Work in EG was
4 funneled as kickbacks to Nguema. During this same time period, Nguema
5 acquired the defendant Sweetwater Property, sent hundreds of thousands of dollars
6 from EG into the United States to fraudulently open bank accounts for the
7 maintenance and upkeep of this property, and made tens of millions of dollars of
8 lavish expenditures and purchases.

9 The Judicial Police Squad at the Procure in Udine, Italy identified a network
10 of bank accounts in Italy, Austria, Spain, Monte Carlo and Luxembourg controlled
11 by Nguema and his father. The GdF explained that they believed that these
12 accounts were derived from monies embezzled from the EG Government by
13 Nguema and President Obiang through infrastructure contracts awarded to General
14 Work by President Obiang.

15 In 2007, Celotti was killed in an airplane crash near Mongomo, a city on
16 EG's mainland. The GdF believed that the circumstances surrounding this crash
17 were suspicious. One month prior to his death, Celotti transferred his corporate
18 holdings, including 45 percent of General Work's equity, to his wife Anna Maria
19 Moro. After Celotti's death, Jimmy Ricci, another Italian businessman, was
20 appointed as General Work's new general manager. In addition to acquiring
21 managerial control of General Work, Ricci worked with Moro to form several
22 additional legal entities and companies to serve as receptacles for General Work's
23 ill-gotten revenue. The remaining equity in General Work was acquired by
24 Nguema's family. According to the GdF, Nguema's family provided no
25 compensation to other shareholders in exchange for their shares.
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1 After Celotti's death in 2007, the GdF conducted an extensive investigation
2 into General Work and Celotti's financial affairs. In connection with this
3 investigation, the GdF interviewed former employees and associates of General
4 Work, including Cistaro and Vona. In addition, they performed a search of Moro's
5 residence in the Friuli region of Italy. Cistaro and Vona informed the GdF that
6 Nguema's family fraudulently assumed control of General Work. Based upon
7 their investigation, including an analysis of financial and banking records obtained
8 by the Gdf from Moro, Italian law enforcement authorities concluded that Nguema
9 and his father jointly owned and controlled a network of international bank
10 accounts that contained stolen government monies misappropriated from EG's
11 treasury through General Work's government construction contracts.

12 When Nguema was negotiating the purchase of the \$30 million defendant
13 Sweetwater Property, he sent and received faxes regarding this real estate
14 transaction from Celotti's office at General Work in EG. For instance, in or
15 around April 2, 2006, Nguema signed and faxed a copy of the Supplemental
16 Escrow Instructions, the Residential Lease After Sale, and the Addendum to the
17 Residential Lease After Sale—all pertaining to the purchase of the defendant
18 Sweetwater Property—to Nagler's office from a fax number in EG (00240)
19 084096. This EG fax number belonged to Celotti. Furthermore, in connection
20 with wiring funds from EG into the United States to support the maintenance and
21 upkeep of the Sweetwater Property, Michael Berger faxed a letter in or around
22 January 20, 2008, to Celotti's fax line in EG, stating, "Here is the information that
23 you need to wire transfer money to Unlimited Horizon, Inc., account at
24 Commercial Capital Bank." In this same letter, Berger detailed Unlimited
25 Horizon's bank account information, the address of Commercial Capital Bank in
26 Beverly Hills and the bank's telephone number and routing number.
27
28

1 Additional information responsive to this Interrogatory relating to the
2 relationship between Nguema and General Work may be ascertained from the
3 COMPLAINT and documents that have or will be produced by the Government,
4 including DOJ_0000303-308; DOJ_0000315-321; DOJ_0000413-416;
5 DOJ_0000417-421; DOJ_0000422-425; DOJ_0000426-430; DOJ_0000431-434;
6 DOJ_0000809-816; DOJ_00003853-3913; SENATE-PSI-86730; SENATE-PSI-
7 93976; SENATE-PSI-94046; SENATE-PSI-96238-96240.

8 **Nguema's Attempt to Misappropriate \$40 Million in Public Funds to Acquire**
9 **a Gulfstream Jet**

10 In 2004, two years before Nguema acquired the defendant Sweetwater
11 Property, Nguema contacted Gulfstream Aerospace Corporation (GAC) and
12 expressed interest in purchasing a \$40 million aircraft from GAC. Stephen Arnold
13 Fuller, GAC's regional vice president for Sub-Saharan Africa, recalled that
14 Nguema informed GAC that he intended to finance the purchase of this aircraft by
15 diverting \$40 million in public funds from the EG Government through an
16 American oil company.

17 Nguema told Mr. Fuller that he could and would pay for the \$40 million
18 aircraft with public funds by having an "American oil company" initially pay GAC
19 for the aircraft. EG would then, according to Nguema, "repay the American oil
20 company through credits to the company's local account in EG." In a letter dated
21 April 20, 2004, Fuller confirmed that Nguema was proposing to purchase from
22 GAC a Gulfstream 550 with misappropriated public funds. Mr. Fuller stated in
23 that letter:
24

25 [Nguema] is suggesting that [GAC] contact the Chairman of Ocean
26 Energy in Houston, Texas with regard to the Gulfstream 550. There
27 may be an advantage in assigning the Sales Agreement to Ocean
28 Energy and having that company assume the payment obligations for
the Gulfstream 550. In return, the Government [of EG] would issue a

1 Credit Memorandum to Ocean Energy for amounts payable in
2 connection with oil production.

3 Raymond Banoun, managing partner of Cadwalader, Wickersham & Taft,
4 LLP, a New York-based law firm, served as an attorney for GAC in connection
5 with this transaction. Like Mr. Fuller, Mr. Banoun recalled that in 2004, Nguema
6 represented to GAC that he would misappropriate EG public funds by (i) having
7 Ocean Energy, an American oil company, purchase the \$40 million aircraft and
8 “assume the payments on his behalf” and then (ii) “in return” have the “Equatorial
9 Guinea government [] issue a credit memo to Ocean Energy for monies connected
10 with oil production in Equatorial Guinea.”

11 Additional information responsive to this Interrogatory relating to Nguema’s
12 relationship and communications with GAC may be ascertained from the
13 COMPLAINT as well as documents that have or will be produced by the
14 Government, including DOJ_0000114-166; DOJ_0000388-393; SENATE-PSI-
15 119217-120245; SENATE-PSI-120318-120347; SENATE-PSI-124429-126128.

16 **Accusations of Direct Diversion of EG Public Funds**

17
18 In South Africa, George Ehlers, a South African businessman, filed a lawsuit
19 in the Cape Town High Court against the EG Government. In that litigation which
20 was filed in or around July 2005, less than one year prior to Nguema’s acquisition
21 of the Sweetwater Property, Ehlers alleged that the EG Government was in breach
22 of a \$7.8 million government infrastructure contract with his company,
23 Engineering Design and Construction Company. After the EG Government seized
24 some of his company’s assets in EG and refused to pay his company for its
25 services, Ehlers filed a lawsuit seeking to attach two homes valued at \$7 million
26 owned by Nguema in South Africa. The two homes were located at Erf 477
27 Clifton Ridge and Erf 303 Constantia in Cape Town. The funds used to purchase
28

1 these properties were wired in 2004 into South Africa from an account at CCEI
2 Bank in EG held in the name of Socage, an EG company owned by Nguema.

3 Ehlers alleged that because Nguema could not have afforded to purchase
4 these assets on his income as an EG public official, Nguema must have used funds
5 misappropriated from the EG Government to acquire and renovate these properties.
6 Indeed, even the contractors hired to renovate the property believed that these
7 assets were owned by the EG Government. In support of his lawsuit, Ehlers filed
8 an affidavit executed by Patricia Fuller. Fuller recalled that she spoke with Peter
9 McNamara, a contractor hired to renovate Nguema's property in Constantia.
10 McNamara, according to Fuller, advised her that he had never heard of Nguema
11 and that he was communicating with the EG Government about how to renovate
12 the property. Furthermore, McNamara claimed that he was under the impression
13 that the property belonged to the EG Government. McNamara submitted an
14 invoice for in or around R 3,144,524 (approximately \$359,532) to Jacques Levy,
15 an interior decorator in Switzerland, for his services relating to Nguema's house in
16 Constantia. As McNamara had no knowledge of Nguema, and was receiving his
17 instructions from the EG Government regarding the home's renovations, Ehlers
18 alleged that the funds used to acquire and renovate these properties were
19 misappropriated from the EG Government. Although Ehlers prevailed against
20 Nguema before the trial court, an appellate court reversed that decision on other
21 grounds.
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23 Additional information responsive to this Interrogatory relating to Mr.
24 Ehlers' lawsuit in South Africa may be ascertained from documents that have or
25 will be produced by the Government, including DOJ_0000281-284;
26 DOJ_0000464-469; DOJ_0001049-1080; DOJ_1652-1904; DOJ_0000890-893.

27 **II.**
28

EXTORTION AND BRIBERY

Beginning in the 1990s, Nguema, as described in the COMPLAINT, received and demanded that companies in E.G provide him with money or property in order to be able to maintain and operate their businesses. Nguema abused his authority and influence within the EG Government both as a member of the cabinet and President Obiang's eldest son to make these demands and to retaliate against those who refused to acquiesce.

Extortion and Solicitation of Bribes from Forestry Companies

In 1998, at the age of 29, Nguema was appointed by his father to serve as EG's first-ever Minister of Forestry and Agriculture. Timber is EG's second largest and most valuable export commodity. Nguema's Forestry Ministry (Ministry) controls timber harvesting operations in EG. The Ministry also controls timber exports. In order to export timber from EG, Nguema requires that timber companies obtain an export authorization document that is personally signed by him. Timber companies incur expenses of up to \$5,000 per day if Nguema delays in signing these requests.

Extortion Payments and Bribes from Forestry Companies

Foreign timber executives claim that their companies were routinely required to pay bribes to Nguema in order to do business in EG. Foreign Policy Magazine quoted one timber executive as stating, "[Nguema] would call emergency meetings of all the logging company heads in which he would announce some new tax on logging operations." According to this executive, Nguema charged timber companies an extra so-called "tax" that they were forced to pay him personally for wood harvested in EG. Nguema purportedly charged timber companies directly per cubic meter of timber harvested by that company.

1 A French timber executive, identified as “Jean Michel” in this same Foreign
2 Policy Magazine article, reported that Nguema seized the French logging company
3 he worked for in EG. It was impossible, according to Jean Michel, for timber
4 companies to do business in EG without paying bribes to Nguema. Although Jean
5 Michel’s company initially paid Nguema the bribes that he demanded, the EG
6 military shut down this company’s operations and expelled its personnel from EG
7 after it refused to make any further bribe payments to Nguema.

8 Independent NGOs have also reported that Nguema extorts payments and
9 solicits bribes from timber companies in EG. For instance, a former United States
10 intelligence official, who was familiar with EG, reported to Global Witness, that
11 Nguema solicits and accepts bribes from Malaysian, North Korean and Chinese
12 timber companies. According to this intelligence official, “There were Malaysian,
13 North Korean, and Chinese logging camps on the mainland [of EG], and [Nguema]
14 collected cash from them . . . for logging operations, much of it involving valuable
15 hardwood.”

16 While Nguema solicits and collects bribes from foreign timber companies,
17 he also permits these same companies to violate EG’s forestry laws and
18 regulations. Indeed, according to representatives of the Environmental
19 Investigation Agency (EIA), an environmental NGO, corruption is pervasive in
20 EG’s forestry sector and some foreign timber companies, including Shimmer
21 International of Malaysia (Shimmer), are permitted illegally to harvest timber in
22 EG’s protected forests reserves.

23 Several independent NGOs, including Forest Monitor, Green Peace and the
24 World Rain Forest Movement, confirmed that Nguema does not enforce EG’s
25 forestry laws on some foreign timber companies, including Shimmer. For
26 instance, Shimmer engages in illegal logging in protected national forests in EG,
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1 including Monte Alen, even though these forest reserves are protected from
2 industrial logging under EG's Forestry Law. Greenpeace reported that in 2004,
3 "Enforcement of legal requirements is virtually non-existent in commercial
4 logging" in EG. Similarly, Forests Monitor, a U.K. NGO, concluded in 2001 that,
5 "[i]n practice, enforcement of all the various legal requirements [in EG's forestry
6 sector] is virtually non-existent."

7 Likewise, while Nguema held the position of Forestry Minister, some timber
8 companies were permitted to overcut EG's forests. Although EG's Forestry Law
9 places limits on how much timber can be harvested by concessionaires and
10 requires these entities to process 60 percent of their timber in EG, many timber
11 companies, including Shimmer, were operating in violation of these rules.
12 According to a United States Forest Service ranger, who visited EG between July
13 31, 2004, and August 15, 2004, "[i]t is clear that in some areas that [EG] forests
14 [were] being overcut." Similarly, EIA representatives confirmed that Shimmer, the
15 dominant timber company in EG, was permitted to illegally export the bulk of its
16 raw timber to China without processing it domestically.

17
18 Additional information responsive to this Interrogatory relating to Nguema's
19 control of EG's forestry sector and his solicitation of bribes and extortion
20 payments from timber companies may be ascertained from the COMPLAINT and
21 documents that have or will be produced by the Government, including
22 DOJ_0000408-412; DOJ_0001049-1080; DOJ_0000842-863; DOJ_0000614-615;
23 DOJ_975-1048; DOJ_758-777; DOJ_778-789.

24 **Nguema's Relationship with Shimmer International**

25 Nguema reportedly maintains a close working relationship with Shimmer
26 that benefits him personally. While Nguema was its head, EG's Forestry Ministry
27 awarded Shimmer substantial forestry concessions. Shimmer was the largest and
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1 most dominant forestry company in EG. Indeed, in 2006, the same year that
2 Nguema purchased the Sweetwater Property, Shimmer was responsible for more
3 than 66 percent of the timber harvested in that country. According to a former
4 U.S. intelligence official who spoke with Global Witness, Nguema solicited and
5 collected bribes from Shimmer in EG.

6 Nguema confirmed to U.S. diplomats at the Embassy in 2009 that he
7 permitted a Malaysian company to deploy 40 teams of well-equipped lumberjacks
8 to “clear cut” a “large tract of pristine continental jungle” that was “granted” to
9 him by the EG Government. Nguema then purportedly earned a “large windfall”
10 by exporting this raw timber to Asia. It is illegal under EG’s Forestry law to
11 permit this type of “clear cut[ting].” EG law also requires timber concessionaires,
12 like Nguema, to process domestically a minimum of 60 percent of the raw timber
13 they harvest from their concessions. Nguema, however, exported his raw timber as
14 “whole logs” to Asia. Although it was Nguema’s responsibility as EG’s Forestry
15 Minister to enforce these laws, Nguema explained to U.S. diplomats that this
16 illegal “windfall” was the source of his personal wealth.
17

18 Additional information responsive to this Interrogatory relating to Nguema’s
19 relationship with timber companies, including Shimmer, may be ascertained from
20 the COMPLAINT as well as documents that have or will be produced by the
21 Government, including DOJ_0000408-412; DOJ_0001049-1080; DOJ_975-1048;
22 DOJ_778-789.

23 **British Hotel Company**

24 In or around 2003, a British company sought permission to build a Sheraton
25 hotel in Malabo, EG’s capital city located on Bioko Island. According to Simon
26 Kareri, a Riggs Bank vice president, Nguema refused to permit the British
27 company to build the Malabo hotel unless its executives agreed to provide him
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1 with 55 percent of the hotel's equity. When the British company refused, their
2 hotel project was not allowed to go forward. Nguema purportedly accompanied
3 representatives of this British company to Nguema's Los Angeles home to engage
4 in negotiations about this hotel.

5 Additional information responsive to this Interrogatory relating to this
6 British company may be ascertained from documents that have or will be produced
7 by the Government, including DOJ_000080-87.

8 **G.E. Petrol**

9 G. E. Petrol is EG's state-owned oil company. According to Kareri, when
10 he was employed at Riggs prior to 2005, G.E. Petrol was still "run by the First
11 Family" of EG and Nguema was the company's "*patron*." In Spanish, which is
12 one of EG's official languages, the word "*patron*" means "master" or "boss."
13 Even though Nguema "flunked high school and does not know how to do
14 anything," according to Kareri, Nguema controlled G.E. Petrol as its "*patron*".
15 Kareri stated that "the big money from the [foreign] oil companies is being paid to
16 the First Family through joint venture projects in EG" and that corrupt payments
17 were disbursed by G.E. Petrol to "so-called oil brokers" controlled by Nguema's
18 family. These brokers, according to Kareri, make further profits for Nguema's
19 family by purchasing oil from G.E. Petrol at discounted rates.
20

21 According to Kareri, Nguema's family "may be skimming money from the
22 sale of [EG's] share of oil produced by the oil companies in EG." Nguema,
23 according to Kareri, often made remarks to him suggesting that he is GE Petrol's
24 "*patron*." On one occasion, Kareri recalled that G.E. Petrol requested that he
25 divert directly a certain percentage of EG's oil revenue to an account controlled by
26 G.E. Petrol. Kareri refused.
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1 Similarly, as explained above at Section XI(B), Nguema represented to GAC
2 that he possessed both the ability and the intent to misappropriate public funds
3 from the EG treasury relating to oil production. Specifically, he claimed that he
4 could provide an American oil money with a \$38.5 million “credit memorandum”
5 derived from public funds to acquire a personal asset for himself.

6 Kareri and Nguema purportedly had a close business and personal
7 relationship. Nguema consulted Kareri frequently about both financial and
8 personal issues, including “personal problems” Nguema had with his father.
9 Kareri commented to his wife, that it was unfortunate that Nguema was “blowing”
10 the money from EG.

11 Additional information responsive to this Interrogatory relating to G.E.
12 Petrol may be ascertained from documents that have or will be produced by the
13 Government, including DOJ_000038-94 and DOJ_0000241-244.

14 **Foreign Oil Companies**

15 Walter International (Walter) was a Houston-based oil company operating in
16 EG. In 1991, Nguema enrolled at Pepperdine University’s English language
17 program in Malibu, California. According to Ambassador John Bennett, a former
18 United States Ambassador to EG during the early 1990s, Nguema’s Pepperdine
19 tuition and expenses were fully paid for by Walter. Elisa Wax, a Pepperdine
20 employee, recalled that Pepperdine received a “steady stream of phone calls from
21 the Beverly Wilshire [Hotel] and shops in Beverly Hills trying to track down
22 [Nguema] to settle outstanding bills.” Wax would direct these calls to Walter
23 International. Ambassador Bennett recalled that Nguema incurred, and Walter
24 paid, \$50,000 in expenses while attending Pepperdine in California.
25

26 In November 2009, Global Witness reported that Nguema received corrupt
27 payments from Elf-Acquitaine, a French oil and gas company. In 2004, thirty
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1 senior executives of Elf Aquitaine were charged and convicted in France of
2 distributing bribes and kickbacks in Africa over a period of several decades.

3 A confidential source ("CI 3"), who spoke with federal agents in Miami,
4 Florida, also confirmed that it was his/her belief that Nguema controls the oil
5 industry in EG and that he derives his wealth from illegal activities in EG,
6 including the distribution of counterfeit cigarettes, diamond smuggling and
7 monetary kickbacks in the form of contracts from United States oil companies
8 operating in EG.

9 Another confidential source (CI 2), who spoke with federal agents and was a
10 former employee of Nguema in Los Angeles in or around 2006, the same year that
11 Nguema acquired the Sweetwater Property, recalled that Nguema told him/her that
12 the source of his wealth was related to EG's oil resources. CI 2 was an employee
13 of Nguema who worked at the defendant Sweetwater Property. Even though
14 Nguema holds no official position within the EG Government related to the oil
15 industry, CI 2 recalls seeing three "oil officials" meet with Nguema at the
16 Sweetwater Property during the second week of November 2006.

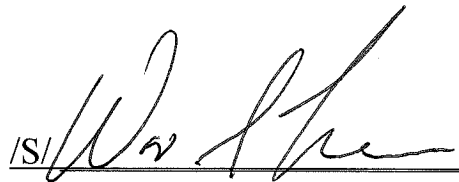
17 Additional information responsive to this Interrogatory relating to Nguema's
18 relationship with the oil and gas industry may be ascertained from documents that
19 have or will be produced by the Government, including DOJ_0000114-0000166;
20 DOJ_0000241-244; DOJ_0000265-268; DOJ_0000388-393; DOJ_0000394-398;
21 DOJ_0000842-863; DOJ_0001049-1080; SENATE-PSI-119217-120245;
22 SENATE-PSI-120318-120347; SENATE-PSI-124429-126128.

23 **Michael Chevaly**

24 An individual named Michael Chevaly allegedly smuggles various
25 fraudulently manufactured consumer goods into Cameroon, Nigeria, Benin, Niger,
26 Chad, Sierra Leone, Liberia, Guinea-Conakry and Gabon. In so doing, Chevaly
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1 purportedly uses routes through EG, Niger and Benin to smuggle this merchandise.
2 CI 3 informed federal agents that Nguema possesses a business relationship with
3 Chevaly relating to this illegal conduct. Additional information responsive to this
4 Interrogatory relating to the relationship between Nguema and Chevaly may be
5 ascertained from documents that have or will be produced by the Government,
6 including DOJ_0000246-251.

7
8 DATED: November 5, 2012

9
10 A handwritten signature in black ink, appearing to read 'W. S. Lee', is written over a horizontal line.

11 WOO S. LEE

12 Trial Attorney

13 United States Department of Justice

14 Attorney for Plaintiff

15 UNITED STATES OF AMERICA
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VERIFICATION

I, Robert Manzanares, hereby verify and declare under penalty of perjury that I am a Special Agent with Homeland Security Investigations, that I have read the foregoing United States' First Set of Responses and Objections to Claimants' First Set of Interrogatories to Plaintiff United States of America, and know its contents. Everything contained in the response is true and correct, to the best of my knowledge and belief.

I hereby declare under penalty of perjury that the foregoing is true and correct.

Executed this 5 day of NOVEMBER, 2012, at 9:47AM, Florida.



ROBERT MANZANARES
Special Agent
Homeland Security Investigations
U.S. Department of Homeland Security

EXHIBIT 3

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 2 LINDA M. SAMUEL, Deputy Chief
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13 Attorneys for Plaintiff
 14 UNITED STATES OF AMERICA

15 UNITED STATES DISTRICT COURT
 16 FOR THE CENTRAL DISTRICT OF CALIFORNIA

17 UNITED STATES OF AMERICA,) No. CV 2: 11-3582-GW-SS
 18 Plaintiff,)
 19 vs.) Hon. George H. Wu
 20 ONE WHITE CRYSTAL-COVERED “BAD)
 TOUR” GLOVE AND OTHER MICHAEL) UNITED STATES’ SUPPLEMENTAL
 21 JACKSON MEMORABILIA;) RESPONSES AND OBJECTIONS TO
 22 REAL PROPERTY LOCATED ON) CLAIMANTS’ VICE PRESIDENT
 SWEETWATER MESA ROAD IN MALIBU,) TEODORO NGUEMA OBIANG MANGUE
 23 CALIFORNIA; ONE 2011 FERRARI 599) AND SWEETWATER MALIBU LLC’S
 24 GTO,) INTERROGATORY NO. 9
 25 Defendants.)
 26)
 27)
 28)

1 The United States of America submits the following responses and
2 objections to Claimants Second Vice President Teodoro Nguema Obiang Mangué
3 (Nguema) and Sweetwater Malibu, LLC's (Sweetwater Malibu) (collectively
4 Claimants) Interrogatory No. 9.

5
6 **INTERROGATORY NO. 9**

7 For each and every witness, informant, and other PERSON YOU have
8 identified in response to Interrogatory No. 8, IDENTIFY any and all efforts YOU
9 have made to corroborate the statements of such witness, informant or PERSON or
10 confirmed their reliability and when and how such corroboration or confirmation,
if any, was secured, if at all.

11 **RESPONSE TO INTERROGATORY NO. 9**

12 The United States objects to this Interrogatory as it is overly broad and
13 unduly burdensome, as it seeks information obtained by the Government after the
14 filing of the COMPLAINT and is not limited by temporal scope. The United
15 States objects to Claimants' Interrogatories, including but not limited to all
16 Instructions and Definitions therein, to the extent that they purport to impose
17 obligations on the Government beyond the scope of the Discovery Order. On
18 September 6, 2012, the Court authorized Claimants to propound limited discovery
19 on the probable cause the United States had when it filed the instant forfeiture
20 action. As such, to the extent that this Interrogatory seeks information beyond the
21 scope of the Discovery Order, including information obtained by DOJ and/or ICE
22 after June 11, 2012, the Government objects and will not produce such
23 information, as it is neither relevant nor reasonably calculated to discover evidence
24 that the Government had for purposes of probable cause when it filed the present
25 action. The United States does, however, expressly reserve the right to
26 supplement, clarify, revise, or correct any or all of the Responses and Objections
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1 (General and Specific) herein consistent with Fed. R. Civ. P. 26(e), and to assert
2 additional objections or privileges, in one or more subsequent supplemental
3 response(s).

4 The United States further objects to this Interrogatory on the grounds that it
5 calls for the disclosure of information subject to the attorney-client privilege, the
6 investigative files privilege, the work product doctrine or the informant's privilege.
7 The United States objects to Claimants' Interrogatories, including but not limited
8 to all Instructions and Definitions therein, to the extent that they seek information
9 outside the possession, custody or control of DOJ and ICE. The United States
10 further objects to this Interrogatory as it is overly broad and unduly burdensome, as
11 the definition of "YOUR" includes foreign sovereign governments and entities
12 other than DOJ and ICE.

13 The United States also objects to this Interrogatory on the ground that it is
14 compound and contains impermissible discrete subparts, which relate to distinct
15 matters and therefore constitutes multiple interrogatories. The United States
16 further objects to this Interrogatory on the ground that, when combined with the
17 preceding Interrogatories, this Interrogatory violates the 25 interrogatory limit set
18 forth in Fed. R. Civ. P. 33(a)(1). Because the Government has already responded
19 to 25 interrogatories, it is not required to respond to this Interrogatory. See
20 Capaccione v. Charlotte-Mecklenburg Schools, 182 F.R.D. 486, 496, n. 4
21 (W.D.N.C. 1998).

22 To the extent that that this request seeks information relating to the
23 recruitment or handling of confidential informants by a federal law enforcement
24 agency, the United States objects to the request and will not produce that
25 information. See, e.g., Roviario v. United States, 353 U.S. 53 (1957).
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1 Subject to and without waiving the foregoing general and specific objections
2 set forth in the United States' Second Set of Responses and Objections to
3 Claimants' First Set of Interrogatories to Plaintiff United States of America (Set
4 One), the United States hereby refers Claimants pursuant to Fed. R. Civ. Proc.
5 33(d) to documents that the United States has and will produce, including but not
6 limited to DOJ_00001-0000489. With respect to witness interviews that took
7 place on or after April 29, 2011, but prior to June 12, 2012, the United States
8 hereby refers Claimants pursuant to Fed. R. Civ. Proc. 33(d) to documents that the
9 United States has and will produce, including but not limited to DOJ_0009050-
10 9230; DOJ_0012458-12623.

11 Additionally, the United States responds as follows:

12 The United States corroborated and confirmed information provided to the
13 Government by confidential informants through a variety of sources, including
14 documents obtained in connection with the Government's investigation, statements
15 provided to the Government by other witnesses, open source materials and
16 Government law enforcement databases.

17 Information provided by **CS 1**, a former employee of Nguema, was
18 corroborated and confirmed by the Government, as it was consistent with other
19 information obtained in connection with the Government's investigation, including
20 but not limited to open source materials, documents obtained by the Government
21 from other witnesses and Government agencies and actors, Government law
22 enforcement databases, and other individuals interviewed by the Government,
23 including **CS 2** (a former employee of Nguema), three other confidential
24 informants, who were also employed by Nguema, and another confidential
25 informant who was involved in a personal relationship with Nguema. Nguema's
26 former employees, who were interviewed by the Government, worked directly
27 with Nguema in managing his affairs and assets, including the Sweetwater
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1 Property, in the United States. The witness interview reports for these witnesses
2 are available at DOJ_00183-188; DOJ_00199-202; DOJ_00265-268;
3 DOJ_009167-9170; DOJ_009179-9188; DOJ_009215-9219; DOJ_0012543-
4 12549; DOJ_0012469-12474. This witness' information was further corroborated
5 and confirmed, as it was consistent with documents in the Government's
6 investigatory files, which were also produced to Claimants, including SENATE-
7 PSI-00069602-00122836. Additional information responsive to this Interrogatory
8 may be ascertained from DOJ_00178-182.

9 Information provided by **CS 2**, another former employee of Nguema, was
10 corroborated and confirmed by the Government, as it was consistent with other
11 information obtained in connection with the Government's investigation, including
12 but not limited to open source materials, documents obtained by the Government
13 from other witnesses and Government agencies and actors, Government law
14 enforcement databases, and other individuals interviewed by the Government,
15 including **CS 1**, three other confidential informants, who were also employed by
16 Nguema, and another confidential informant who was involved in a personal
17 relationship with Nguema. Nguema's former employees, who were interviewed by
18 the Government, worked directly with Nguema in managing his affairs and assets,
19 including the Sweetwater Property, in the United States. The witness interview
20 reports for these witnesses are available at DOJ_00178-182; DOJ_009167-9170;
21 DOJ_009179-9188; DOJ_009215-9219; DOJ_0012543-12549; DOJ_0012469-
22 12474. This witness' information was further corroborated and confirmed, as it
23 was consistent with documents in the Government's investigatory files, which
24 were also produced to Claimants, including SENATE-PSI-00069602-00122836.
25 Additional information responsive to this Interrogatory may be ascertained from
26 DOJ_00183-188; DOJ_00199-202; DOJ_00265-268.

27 Information provided by **IMF Economist A**, a senior official of the
28 International Monetary Fund (IMF), a United Nations financial agency, who visited

EG in 2007, was corroborated and confirmed by the Government, as it was consistent with other information obtained in connection with the Government's investigation, including but not limited to open source materials, documents obtained by the Government from other witnesses and Government agencies and actors, Government law enforcement databases, and other individuals interviewed by the Government, including **IMF Economist B** (a senior IMF official who visited EG in 2010), **EG Fiscal Advisor A** (a former fiscal advisor to EG's finance minister), **EG Fiscal Advisor B** (a former fiscal advisor to EG's finance minister), **Construction Executive A** (a construction executive who worked in EG), **Construction Executive B** (a construction executive who worked in EG), **Construction Executive C** (a construction executive who worked in EG), **Dr. John Stewart** (a US AID contractor in EG), **Stephen Fuller** (a former Gulfstream executive), **Ian Cooling** (a former Ocean Energy Executive), **Simon Kareri** (a former Riggs National Bank vice president), **Raymond Banoun** (outside counsel for Gulfstream) and another senior IMF official who visited EG.

Additional information pertaining to these witnesses are available at DOJ_0012596-12597; DOJ_0012518-12524; DOJ_009207-9214; DOJ_0012492-12497; DOJ_009067-9071; DOJ_0012458-468; DOJ_0012475-12482; DOJ_0012578-12583; DOJ_0012617-12619; DOJ_0062-94; DOJ_12614-12616; DOJ_120-128; DOJ_9141-9146; DOJ_114-119. This witness' information was further corroborated and confirmed, as it was consistent with documents in the Government's investigatory files, which were also produced to Claimants, including DOJ_0000303-308; DOJ_0000315-321; DOJ_0000413-416; DOJ_0000417-421; DOJ_0000422-425; DOJ_0000426-430; DOJ_0000431-434; DOJ_0000584-592; DOJ_688-718; DOJ_0000834-837; DOJ_0000864-871; DOJ_00003853-3913; DOJ_0000946-950; DOJ_0001049-1080; DOJ_1652-1904; DOJ_000009067-9071; DOJ_009134-9140; DOJ_009147-9151; DOJ_009152-9157; DOJ_0009207-9214; DOJ_12458-12468; DOJ_0012492-12497;

DOJ_0012518-12524; DOJ_0012564-0012566; DOJ_0012567-12572;
 DOJ_0012573-12577; DOJ_0012578-12583; DOJ_0012596-12597;
 DOJ_0012518-12524; DOJ_0012492-12497; DOJ_0012617-12623;
 DOJ_0012564-12566. Additional information responsive to this Interrogatory may
 be ascertained from DOJ_0012573-12577.

Information provided by **IMF Economist B**, a senior IMF official who
 visited EG in 2010, was corroborated and confirmed by the Government, as it was
 consistent with other information obtained in connection with the Government's
 investigation, including but not limited to open source materials, documents
 obtained by the Government from other witnesses and Government agencies and
 actors, Government law enforcement databases, and other individuals interviewed
 by the Government, including **IMF Economist A** (a senior IMF official who
 visited EG in 2007), **EG Fiscal Advisor A** (a former fiscal advisor to EG's finance
 minister), **EG Fiscal Advisor B** (a former fiscal advisor to EG's finance minister),
Construction Executive A (a construction executive who worked in EG),
Construction Executive B (a construction executive who worked in EG),
Construction Executive C (a construction executive who worked in EG),
Dr. John Stewart (a US AID contractor in EG), **Stephen Fuller** (a former
 Gulfstream executive), **Ian Cooling** (a former Ocean Energy Executive), **Simon**
Kareri (a former Riggs National Bank vice president), **Raymond Banoun** (outside
 counsel for Gulfstream) and another senior IMF official who visited EG.

Additional information pertaining to these witnesses are available at
 DOJ_0012573-12577; DOJ_0012518-12524; DOJ_009207-9214; DOJ_0012492-
 12497; DOJ_009067-9071; DOJ_0012458-468; DOJ_0012475-12482;
 DOJ_0012578-12583; DOJ_0012617-12619; DOJ_0062-94; DOJ_12614-12616;
 DOJ_120-128; DOJ_9141-9146; DOJ_114-119. This witness' information was
 further corroborated and confirmed, as it was consistent with documents in the
 Government's investigatory files, which were also produced to Claimants,

1 including DOJ_0000303-308; DOJ_0000315-321; DOJ_0000413-416;
 2 DOJ_0000417-421; DOJ_0000422-425; DOJ_0000426-430; DOJ_0000431-
 3 434; DOJ_0000584-592; DOJ_688-718; DOJ_0000834-837; DOJ_0000864-871;
 4 DOJ_0000946-950; DOJ_0001049-1080; DOJ_1652-1904; DOJ_00003853-3913;
 5 DOJ_003914-5725; DOJ_000009067-9071; DOJ_009134-9140; DOJ_009147-
 6 9151; DOJ_009152-9157; DOJ_0009207-9214; DOJ_12458-12468;
 7 DOJ_0012492-12497; DOJ_0012518-12524; DOJ_0012564-0012566;
 8 DOJ_0012567-12572; DOJ_0012573-12577; DOJ_0012578-12583;
 9 DOJ_0012596-12597; DOJ_0012518-12524; DOJ_0012492-12497;
 10 DOJ_0012617-12623; DOJ_0012564-12566. Additional information responsive to
 11 this Interrogatory may be ascertained from DOJ_0012596-12597.

12 Information provided by **EG Fiscal Advisor A**, who worked as a fiscal
 13 advisor to the EG Finance Minister in or around the time period in which Nguema
 14 acquired the Sweetwater Property, was corroborated and confirmed by the
 15 Government, as it was consistent with other information obtained in connection
 16 with the Government's investigation, including but not limited to open source
 17 materials, documents obtained by the Government from other witnesses and
 18 Government agencies and actors, Government law enforcement databases, and
 19 other individuals interviewed by the Government, including **IMF Economist A**,
 20 **IMF Economist B** (a senior IMF official who visited EG), **EG Fiscal Advisor B**
 21 (a former fiscal advisor to EG's finance minister), **Construction Executive A** (a
 22 construction executive who worked in EG), **Construction Executive B** (a
 23 construction executive who worked in EG), **Construction Executive C** (a
 24 construction executive who worked in EG), **Dr. John Stewart** (a US AID
 25 contractor in EG), **EG CS 3** (an EG lawyer and former civil servant), **Stephen**
 26 **Fuller** (a former Gulfstream executive), **Ian Cooling** (a former Ocean Energy
 27 Executive), **Simon Kareri** (a former Riggs National Bank vice president),
 28 **Raymond Banoun** (outside counsel for Gulfstream) and another senior IMF

1 official who visited EG. Additional information pertaining to these witnesses are
 2 available at DOJ_0012573-12577; DOJ_009207-9214; DOJ_0012492-12497;
 3 DOJ_009067-9071; DOJ_0012458-468; DOJ_0012475-12482; DOJ_0012567-
 4 12572; DOJ_0012578-12583; DOJ_0012596-12597; DOJ_0012617-12619;
 5 DOJ_0062-94; DOJ_12614-12616; DOJ_120-128; DOJ_9141-9146; DOJ_114-
 6 119. This witness' information was further corroborated and confirmed, as it was
 7 consistent with documents in the Government's investigatory files, which were
 8 also produced to Claimants, including DOJ_0000303-308; DOJ_0000315-321;
 9 DOJ_0000413-416; DOJ_0000417-421; DOJ_0000422-425; DOJ_0000426-430;
 10 DOJ_0000431-434; DOJ_0000584-592; DOJ_688-718; DOJ_0000834-837;
 11 DOJ_0000864-871; DOJ_0000946-950; DOJ_0001049-1080; DOJ_1652-1904;
 12 DOJ_00003853-3913; DOJ_003914-5725; DOJ_000009067-9071; DOJ_009134-
 13 9140; DOJ_009147-9151; DOJ_009152-9157; DOJ_0009207-9214; DOJ_12458-
 14 12468; DOJ_0012492-12497; DOJ_0012518-12524; DOJ_0012564-0012566;
 15 DOJ_0012567-12572; DOJ_0012573-12577; DOJ_0012578-12583;
 16 DOJ_0012596-12597; DOJ_0012518-12524; DOJ_0012492-12497;
 17 DOJ_0012617-12623; DOJ_0012564-12566. **EG Fiscal Advisor A's** information
 18 was also corroborated and further confirmed by his daily journal, which he
 19 maintained while in EG and showed to the Government. This handwritten journal
 20 contained detailed notes of individuals he spoke with and met in EG, as well as
 21 information he learned from various sources within EG. Additional information
 22 responsive to this Interrogatory may be ascertained from DOJ_009067-9071;
 23 DOJ_0012518-12468.

24 Information provided by **EG Fiscal Advisor B**, who worked as a fiscal
 25 advisor to the EG Finance Minister between 2007 and 2011, was corroborated and
 26 confirmed by the Government, as it was consistent with other information obtained
 27 in connection with the Government's investigation, including but not limited to
 28 open source materials, documents obtained by the Government from other

witnesses and Government agencies and actors, Government law enforcement databases, and other individuals interviewed by the Government, including **IMF Economist A**, **IMF Economist B** (a senior IMF official who visited EG), **EG Fiscal Advisor A** (a former fiscal advisor to EG's finance minister), **Construction Executive A** (a construction executive who worked in EG), **Construction Executive B** (a construction executive who worked in EG), **Construction Executive C** (a construction executive who worked in EG), **Dr. John Stewart** (a US AID contractor in EG), and another senior IMF official who visited EG.

Additional information pertaining to these witnesses are available at DOJ_0012573-12577; DOJ_009207-9214; DOJ_0012518-12524; DOJ_009067-9071; DOJ_0012458-468; DOJ_0012475-12482; DOJ_0012567-12572; DOJ_0012578-12583; DOJ_0012596-12597; DOJ_0012617-12619. This witness' information was further corroborated and confirmed, as it was consistent with documents in the Government's investigatory files, which were also produced to Claimants, including DOJ_0000303-308; DOJ_0000315-321; DOJ_0000413-416; DOJ_0000417-421; DOJ_0000422-425; DOJ_0000426-430; DOJ_0000431-434; DOJ_0000584-592; DOJ_688-718; DOJ_0000834-837; DOJ_0000864-871; DOJ_0000946-950; DOJ_0001049-1080; DOJ_1652-1904; DOJ_00003853-3913; DOJ_003914-5725; DOJ_000009067-9071; DOJ_009134-9140; DOJ_009147-9151; DOJ_009152-9157; DOJ_0009207-9214; DOJ_12458-12468; DOJ_0012492-12497; DOJ_0012518-12524; DOJ_0012564-0012566; DOJ_0012567-12572; DOJ_0012573-12577; DOJ_0012578-12583; DOJ_0012596-12597; DOJ_0012518-12524; DOJ_0012492-12497; DOJ_0012617-12623; DOJ_0012564-12566. Additional information responsive to this Interrogatory may be ascertained from DOJ_0012492-12497.

Information provided by **Construction Executive A**, who worked with General Work, S.A., an EG construction company, was corroborated and confirmed by the Government, as it was consistent with other information obtained

in connection with the Government's investigation, including but not limited to open source materials, documents obtained by the Government from other witnesses and Government agencies and actors, Government law enforcement databases, and other individuals interviewed by the Government, including **Construction Executive B, Construction Executive C, IMF Economist A, IMF Economist B, EG Fiscal Advisor A, EG Fiscal Advisor B, Dr. John Stewart** (a US AID contractor in EG), **Stephen Fuller** (a former Gulfstream executive), **Ian Cooling** (a former Ocean Energy Executive), **Simon Kareri** (a former Riggs National Bank vice president), **Raymond Banoun** (outside counsel for Gulfstream) and another senior IMF official who visited EG. Additional information pertaining to these witnesses are available at DOJ_009067-9071; DOJ_0012458-12468; DOJ_0012475-12482; DOJ_0012573-12583; DOJ_9207-9214; DOJ_0012518-12524; DOJ_0012492-12497; DOJ_0012596-12597; DOJ_12617-12619; DOJ_0062-94; DOJ_12614-12616; DOJ_120-128; DOJ_9141-9146; DOJ_114-119. This witness' information was further corroborated and confirmed, as it was consistent with documents in the Government's investigatory files, which were also produced to Claimants, including DOJ_0000303-308; DOJ_0000315-321; DOJ_0000413-416; DOJ_0000417-421; DOJ_0000422-425; DOJ_0000426-430; DOJ_0000431-434; DOJ_0000809-816; DOJ_00003853-3913; DOJ_9067-9071; DOJ_009134-9140; DOJ_009147-9151; DOJ_009152-9157; DOJ_009207-9214; DOJ_0012458-12468; DOJ_0012475-12482; DOJ_0012492-12497; DOJ_0012518-12524; DOJ_0012564-12566; DOJ_0012567-12572; DOJ_0012573-12577; DOJ_0012617-12623; SENATE-PSI-86730; SENATE-PSI-93976; SENATE-PSI-94046; SENATE-PSI-96238-96240. Information provided by this witness was also further confirmed and corroborated by information provided to the United States by Italian law enforcement authorities, including the Guardia di Finanza

(GdF). Additional information responsive to this Interrogatory may be ascertained from DOJ_009067-9071; DOJ_12458-12468; DOJ_12475-12482.

Information provided by **Construction Executive B**, was corroborated and confirmed by the Government, as it was consistent with other information obtained in connection with the Government's investigation, including but not limited to open source materials, documents obtained by the Government from other witnesses and Government agencies and actors, Government law enforcement databases, and other individuals interviewed by the Government, including **IMF Economist A**, **IMF Economist B**, **EG Fiscal Advisor A**, **EG Fiscal Advisor B**, **Construction Executive A**, **Construction Executive C**, **Dr. John Stewart** (US AID contractor in EG), **Bruno Beretta** (former EG construction executive and timber company executive), **EG Accountant A** (Big Four accountant in EG), **GSF Executive** (former GSF executive in EG), **John Bennett** (former United States Ambassador to EG) and another senior IMF official, whose interview report was also produced to Claimants. Additional information pertaining to these witnesses are available at DOJ_0012573-12583; DOJ_9207-9214; DOJ_0012518-12524; DOJ_0012492-12497; DOJ_0012596-12597; DOJ_12617-12619; DOJ_009120-9126; DOJ_0012584-12586; DOJ_0012589-12591; DOJ_00394-398. This witness' information was further corroborated and confirmed, as it was consistent with documents in the Government's investigatory files, which were also produced to Claimants, including DOJ_0000303-308; DOJ_0000315-321; DOJ_0000413-416; DOJ_0000417-421; DOJ_0000422-425; DOJ_0000426-430; DOJ_0000431-434; DOJ_0000809-816; DOJ_00003853-3913; DOJ_9067-9071; DOJ_009134-9140; DOJ_009147-9151; DOJ_009152-9157; DOJ_009207-9214; DOJ_0012458-12468; DOJ_0012475-12482; DOJ_0012492-12497; DOJ_0012518-12524; DOJ_0012564-12566; DOJ_0012567-12572; DOJ_0012573-12577; DOJ_0012617-12623; SENATE-PSI-86730; SENATE-PSI-93976; SENATE-PSI-94046; SENATE-PSI-96238-96240. Information provided by this witness was

1 also further confirmed and corroborated by information provided to the United
 2 States by Italian law enforcement authorities, including the GdF. Additional
 3 information responsive to this Interrogatory may be ascertained from
 4 DOJ_009067-9071; DOJ_12458-12468; DOJ_12475-12482.

5 Information provided by **Construction Executive C**, who worked with
 6 General Work, was corroborated and confirmed by the Government, as it was
 7 consistent with other information obtained in connection with the Government's
 8 investigation, including but not limited to open source materials, documents
 9 obtained by the Government from other witnesses and Government agencies and
 10 actors, Government law enforcement databases, and other individuals interviewed
 11 by the Government, including **Construction Executive A**, **Construction**
 12 **Executive B**, **IMF Economist A**, **IMF Economist B**, **EG Fiscal Advisor A**, **EG**
 13 **Fiscal Advisor B**, **Dr. John Stewart** (US AID contractor in EG), **Bruno Beretta**
 14 (former EG construction executive and timber company executive), **EG**
 15 **Accountant A** (Big Four accountant in EG), **GSF Executive** (former GSF
 16 executive in EG), **John Bennett** (former United States Ambassador to EG), **EG**
 17 **CS 3** (EG lawyer and former civil servant), **EG CS 4** (EG architect) , **EG CS 5**
 18 (EG legal and public administration scholar), **Stephen Fuller** (a former Gulfstream
 19 executive), **Ian Cooling** (a former Ocean Energy Executive), **Simon Kareri** (a
 20 former Riggs National Bank vice president), **Raymond Banoun** (outside counsel
 21 for Gulfstream) and another senior IMF official, whose interview report was also
 22 produced to Claimants. Additional information pertaining to these witnesses are
 23 available at DOJ_009067-9071; DOJ_0012458-12468; DOJ_0012475-12482;
 24 DOJ_0012573-12583; DOJ_9207-9214; DOJ_0012518-12524; DOJ_0012492-
 25 12497; DOJ_0012596-12597; DOJ_12617-12619; DOJ_009120-9126;
 26 DOJ_0012584-12586; DOJ_0012589-12591; DOJ_00394-398; DOJ_0012567-
 27 12572; DOJ_0012564-566; DOJ_009147-9151; DOJ_0062-94; DOJ_12614-
 28 12616; DOJ_120-128; DOJ_9141-9146; DOJ_114-119. This witness' information

1 was further corroborated and confirmed, as it was consistent with documents in the
 2 Government's investigatory files, which were also produced to Claimants,
 3 including DOJ_0000303-308; DOJ_0000315-321; DOJ_0000413-416;
 4 DOJ_0000417-421; DOJ_0000422-425; DOJ_0000426-430; DOJ_0000431-434;
 5 DOJ_0000809-816; DOJ_00003853-3913; DOJ_9067-9071; DOJ_009134-9140;
 6 DOJ_009147-9151; DOJ_009152-9157; DOJ_009207-9214; DOJ_0012458-
 7 12468; DOJ_0012475-12482; DOJ_0012492-12497; DOJ_0012518-12524;
 8 DOJ_0012564-12566; DOJ_0012567-12572; DOJ_0012573-12577;
 9 DOJ_0012617-12623; SENATE-PSI-86730; SENATE-PSI-93976; SENATE-PSI-
 10 94046; SENATE-PSI-96238-96240. Information provided by this witness was
 11 also further confirmed and corroborated by information provided to the United
 12 States by Italian law enforcement authorities, including the GdF. Additional
 13 information responsive to this Interrogatory may be ascertained from
 14 DOJ_009067-9071; DOJ_12458-12468; DOJ_12475-12482.

15 Information provided by **EG CS 3**, an EG lawyer and former civil servant
 16 who worked directly on the staff of a former EG cabinet member, was
 17 corroborated and confirmed by the Government, as it was consistent with other
 18 information obtained in connection with the Government's investigation, including
 19 but not limited to open source materials, documents obtained by the Government
 20 from other witnesses and Government agencies and actors, Government law
 21 enforcement databases, and other individuals interviewed by the Government,
 22 including **Construction Executive A**, **Construction Executive B**, **Construction**
 23 **Executive C**, **IMF Economist A**, **IMF Economist B**, **EG Fiscal Advisor A**, **EG**
 24 **Fiscal Advisor B**, **Dr. John Stewart** (US AID contractor in EG), **EG CS 4** (an EG
 25 architect familiar with the EG construction sector), **EG CS 5** (EG law and public
 26 administration academic), **Bruno Beretta** (former EG construction executive and
 27 timber company executive), **EG Accountant A** (Big Four accountant in EG), **GSF**
 28 **Executive** (former GSF executive in EG), **John Bennett** (former United States

1 Ambassador to EG) and another senior IMF official who visited EG. Additional
 2 information pertaining to these witnesses are available at DOJ_009067-9071;
 3 DOJ_0012458-12468; DOJ_0012475-12482; DOJ_0012573-12583; DOJ_009147-
 4 9151; DOJ_9207-9214; DOJ_0012518-12524; DOJ_0012492-12497;
 5 DOJ_0012564-12566; DOJ_0012596-12597; DOJ_12617-12619; DOJ_009120-
 6 9126; DOJ_0012584-12586; DOJ_0012589-12591; DOJ_00394-398. This
 7 witness' information was further corroborated and confirmed, as it was consistent
 8 with documents in the Government's investigatory files, which were also produced
 9 to Claimants, including DOJ_006706-6773; DOJ_006865-6925; DOJ_008561-
 10 8578; DOJ_009134-9140; DOJ_009147-9151; DOJ_009152-9157; DOJ_009207-
 11 9214; DOJ_012518-12524; DOJ_009247-9249; DOJ_009781-9782; DOJ_009786-
 12 9952; DOJ_0012492-12497; DOJ_0012498-12504; DOJ_0012511-12517;
 13 DOJ_0012559-12563; DOJ_0012564-12566; DOJ_0012567-12572;
 14 DOJ_0012573-12577; DOJ_0012584-12586; DOJ_0012587-12588;
 15 DOJ_0012589-12591; DOJ_0012596-12597; DOJ_0012617-12623. Additional
 16 information responsive to this Interrogatory may be ascertained from
 17 DOJ_0012567-12572.

18 Information provided by **EG CS 4**, an EG architect who has worked in the
 19 construction sector in EG for the past two decades, was corroborated and
 20 confirmed by the Government, as it was consistent with other information obtained
 21 in connection with the Government's investigation, including but not limited to
 22 open source materials, documents obtained by the Government from other
 23 witnesses and Government agencies and actors, Government law enforcement
 24 databases, and other individuals interviewed by the Government, **Construction**
 25 **Executive A, Construction Executive B, Construction Executive C, IMF**
 26 **Economist A, IMF Economist B, EG Fiscal Advisor A, EG Fiscal Advisor B,**
 27 **Dr. John Stewart** (US AID contractor in EG), **EG CS 3** (an EG lawyer and
 28 former civil servant), **EG CS 5** (EG law and public administration academic),

1 **Bruno Beretta** (former EG construction executive and timber company
 2 executive), **EG Accountant A** (Big Four accountant in EG), **GSF Executive**
 3 (former GSF executive in EG), **John Bennett** (former United States Ambassador
 4 to EG), **Stephen Fuller** (a former Gulfstream executive), **Ian Cooling** (a former
 5 Ocean Energy Executive), **Simon Kareri** (a former Riggs National Bank vice
 6 president), **Raymond Banoun** (outside counsel for Gulfstream) and another senior
 7 IMF official who visited EG. Additional information pertaining to these witnesses
 8 are available at DOJ_009067-9071; DOJ_0012458-12468; DOJ_0012475-12482;
 9 DOJ_0012573-12583; DOJ_009147-9151; DOJ_9207-9214; DOJ_0012518-
 10 12524; DOJ_0012492-12497; DOJ_12567-12572; DOJ_0012596-12597;
 11 DOJ_12617-12619; DOJ_009120-9126; DOJ_0012584-12586; DOJ_0012589-
 12 12591; DOJ_00394-398; DOJ_0062-94; DOJ_12614-12616; DOJ_120-128;
 13 DOJ_9141-9146; DOJ_114-119. This witness' information was further
 14 corroborated and confirmed, as it was consistent with documents in the
 15 Government's investigatory files, which were also produced to Claimants,
 16 including DOJ_006706-6773; DOJ_006865-6925; DOJ_008561-8578;
 17 DOJ_009134-9140; DOJ_009147-9151; DOJ_009152-9157; DOJ_009207-9214;
 18 DOJ_012518-12524; DOJ_009247-9249; DOJ_009781-9782; DOJ_009786-9952;
 19 DOJ_0012492-12497; DOJ_0012498-12504; DOJ_0012511-12517;
 20 DOJ_0012559-12563; DOJ_0012564-12566; DOJ_0012567-12572;
 21 DOJ_0012573-12577; DOJ_0012584-12586; DOJ_0012587-12588;
 22 DOJ_0012589-12591; DOJ_0012596-12597; DOJ_0012617-12623. Additional
 23 information responsive to this Interrogatory may be ascertained from DOJ_12564-
 24 12566.

25 Information provided by **EG CS 5**, an EG academic who focuses on issues
 26 of law and public administration, was corroborated and confirmed by the
 27 Government, as it was consistent with other information obtained in connection
 28 with the Government's investigation, including but not limited to open source

1 materials, documents obtained by the Government from other witnesses and
 2 Government agencies and actors, Government law enforcement databases, and
 3 other individuals interviewed by the Government, **Construction Executive A**,
 4 **Construction Executive B**, **Construction Executive C**, **IMF Economist A**, **IMF**
 5 **Economist B**, **EG Fiscal Advisor A**, **EG Fiscal Advisor B**, **Dr. John Stewart**
 6 (US AID contractor in EG), **EG CS 3** (an EG lawyer and former civil servant), **EG**
 7 **CS 4** (EG architect familiar with the construction sector), **Stephen Fuller** (a
 8 former Gulfstream executive), **Ian Cooling** (a former Ocean Energy Executive),
 9 **Simon Kareri** (a former Riggs National Bank vice president), **Raymond Banoun**
 10 (outside counsel for Gulfstream), **Bruno Beretta** (former EG construction
 11 executive and timber company executive), **EG Accountant A** (Big Four
 12 accountant in EG), **GSF Executive** (former GSF executive in EG), **John Bennett**
 13 (former United States Ambassador to EG) and another senior IMF official who
 14 visited EG. Additional information pertaining to these witnesses are available at
 15 DOJ_009067-9071; DOJ_0012458-12468; DOJ_0012475-12482; DOJ_0012573-
 16 12583; DOJ_0012564-12566; DOJ_9207-9214; DOJ_0012518-12524;
 17 DOJ_0012492-12497; DOJ_12567-12572; DOJ_0012596-12597; DOJ_12617-
 18 12619; DOJ_0062-94; DOJ_12614-12616; DOJ_120-128; DOJ_9141-9146;
 19 DOJ_114-119; DOJ_009120-9126; DOJ_0012584-12586; DOJ_0012589-12591;
 20 DOJ_00394-398. This witness' information was further corroborated and
 21 confirmed, as it was consistent with documents in the Government's investigatory
 22 files, which were also produced to Claimants, including DOJ_006706-6773;
 23 DOJ_006865-6925; DOJ_008561-8578; DOJ_009134-9140; DOJ_009147-9151;
 24 DOJ_009152-9157; DOJ_009207-9214; DOJ_012518-12524; DOJ_009247-9249;
 25 DOJ_009781-9782; DOJ_009786-9952; DOJ_0012492-12497; DOJ_0012498-
 26 12504; DOJ_0012511-12517; DOJ_0012559-12563; DOJ_0012564-12566;
 27 DOJ_0012567-12572; DOJ_0012573-12577; DOJ_0012584-12586;
 28 DOJ_0012587-12588; DOJ_0012589-12591; DOJ_0012596-12597;

1 DOJ_0012617-12623. Additional information responsive to this Interrogatory may
2 be ascertained from DOJ_009147-9151.

3 Information provided by **EG CS 6**, an EG scientist and senior opposition
4 party official in EG, was corroborated and confirmed by the Government, as it
5 was consistent with other information obtained in connection with the
6 Government's investigation, including but not limited to open source materials,
7 documents obtained by the Government from other witnesses and Government
8 agencies and actors, Government law enforcement databases, and other individuals
9 interviewed by the Government, **Construction Executive A**, **Construction**
10 **Executive B**, **Construction Executive C**, **IMF Economist A**, **IMF Economist B**,
11 **EG Fiscal Advisor A**, **EG Fiscal Advisor B**, **Dr. John Stewart** (US AID
12 contractor in EG), **EG CS 3** (an EG lawyer and former civil servant), **EG CS 4**
13 (EG architect familiar with the construction sector), **Bruno Beretta** (former EG
14 construction executive and timber company executive), **EG Accountant A** (Big
15 Four accountant in EG), **GSF Executive** (former GSF executive in EG), **John**
16 **Bennett** (former United States Ambassador to EG) and another senior IMF official
17 who visited EG. Additional information pertaining to these witnesses are available
18 at DOJ_009067-9071; DOJ_009147-9151; DOJ_0012458-12468; DOJ_0012475-
19 12482; DOJ_0012573-12583; DOJ_0012564-12566; DOJ_9207-9214;
20 DOJ_0012518-12524; DOJ_0012492-12497; DOJ_12567-12572; DOJ_0012596-
21 12597; DOJ_12617-12619; DOJ_009120-9126; DOJ_0012584-12586;
22 DOJ_0012589-12591; DOJ_00394-398. This witness' information was further
23 corroborated and confirmed, as it was consistent with documents in the
24 Government's investigatory files, which were also produced to Claimants,
25 including DOJ_006706-6773; DOJ_006865-6925; DOJ_008561-8578;
26 DOJ_009134-9140; DOJ_009147-9151; DOJ_009152-9157; DOJ_009207-9214;
27 DOJ_012518-12524; DOJ_009247-9249; DOJ_009781-9782; DOJ_009786-9952;
28 DOJ_0012492-12497; DOJ_0012498-12504; DOJ_0012511-12517;

DOJ_0012559-12563; DOJ_0012564-12566; DOJ_0012567-12572;
 DOJ_0012573-12577; DOJ_0012584-12586; DOJ_0012587-12588;
 DOJ_0012589-12591; DOJ_0012596-12597; DOJ_0012617-12623. Additional
 information responsive to this Interrogatory may be ascertained from DOJ_9134-
 9140.

Information provided by **EG CS 8**, an EG opposition party official and
 agricultural engineer, was corroborated and confirmed by the Government, as it
 was consistent with other information obtained in connection with the
 Government's investigation, including but not limited to open source materials,
 documents obtained by the Government from other witnesses and Government
 agencies and actors, Government law enforcement databases, and other individuals
 interviewed by the Government, including but not limited to **Construction**
Executive C, **Construction Executive B**, **German Pedro Tomo** (former EG
 timber company owner), **Bruno Beretta** (former EG timber executive), **EG CS 7**
 (former foreign timber executive), **Christopher Kernan** (former EG country
 director for Conservation International), **John Palmer** (retired United States Forest
 Service officer who visited EG), **Bruno Beretta** (former EG construction
 executive and timber company executive), **EG Accountant A** (Big Four
 accountant in EG), **GSF Executive** (former GSF executive in EG), **John Bennett**
 (former United States Ambassador to EG) and **EG Fiscal Advisor A**. Additional
 information pertaining to these witnesses are available at DOJ_9067-9071;
 DOJ_009120-9126; DOJ_9207-9214; DOJ_0012458-12468; DOJ_0012475-
 12482; DOJ_0012483-12491; DOJ_0012511-12517; DOJ_0012518-12524;
 DOJ_0012559-12563; DOJ_0012587-12588; DOJ_009120-9126; DOJ_0012584-
 12586; DOJ_0012589-12591; DOJ_00394-398. This witness' information was
 further corroborated and confirmed, as it was consistent with documents in the
 Government's investigatory files, which were also produced to Claimants,
 including DOJ_006298-6332; DOJ_006386-6387; DOJ_0012458-12468;

DOJ_009120-9126; DOJ_009207-9214; DOJ_0012518-12524; DOJ_009271-9665; DOJ_009247-9249; DOJ_0012483-12491; DOJ_0012598-12613; DOJ_0012511-12517; DOJ_0012559-12563; DOJ_0012587-12588; DOJ_006386-6387; DOJ_009067-9071; DOJ_0012458-12468; DOJ_0012475-12482; DOJ_009107-9114; DOJ_009120-9126; DOJ_009134-9140; DOJ_009271-9665; DOJ_009134-9140; DOJ_009147-9151; DOJ_009152-9157; DOJ_009189-9193; DOJ_009194-9198; DOJ_009207-9214; DOJ_0012518-12524; DOJ_009247-9249; DOJ_0012483-12491; DOJ_0012598-12613; DOJ_0012492-12497; DOJ_0012498-12504; DOJ_0012511-12517; DOJ_0012559-12563; DOJ_0012564-12566; DOJ_0012567-12572; DOJ_0012584-12586; DOJ_0012587-12588; DOJ_0012589-12591; DOJ_0012483-12491; DOJ_0012598-12613. Additional information responsive to this Interrogatory may be ascertained from DOJ_009152-9156.

Information provided by **EG CS 7**, a European timber executive who worked in EG, was corroborated and confirmed by the Government, as it was consistent with other information obtained in connection with the Government's investigation, including but not limited to open source materials, documents obtained by the Government from other witnesses and Government agencies and actors, Government law enforcement databases, and other individuals interviewed by the Government, including but not limited to **Construction Executive C**, **Construction Executive B**, **German Pedro Tomo** (former EG timber company owner), **Bruno Beretta** (former EG timber executive), **EG CS 8** (EG agricultural engineer and opposition party official), **Christopher Kernan** (former EG country director for Conservation International), **John Palmer** (retired United States Forest Service officer who visited EG), **Bruno Beretta** (former EG construction executive and timber company executive), **EG Accountant A** (Big Four accountant in EG), **GSF Executive** (former GSF executive in EG), **John Bennett** (former United States Ambassador to EG), and **EG Fiscal Advisor A**. Additional

1 information pertaining to these witnesses are available at DOJ_9067-9071;
 2 DOJ_009120-9126; DOJ_009152-9156; DOJ_9207-9214; DOJ_0012458-12468;
 3 DOJ_0012475-12482; DOJ_0012483-12491; DOJ_0012511-12517;
 4 DOJ_0012518-12524; DOJ_0012559-12563; DOJ_0012587-12588; DOJ_009120-
 5 9126; DOJ_0012584-12586; DOJ_0012589-12591; DOJ_00394-398. This
 6 witness' information was further corroborated and confirmed, as it was consistent
 7 with documents in the Government's investigatory files, which were also produced
 8 to Claimants, including DOJ_006298-6332; DOJ_006386-6387; DOJ_0012458-
 9 12468; DOJ_009120-9126; DOJ_009207-9214; DOJ_0012518-12524;
 10 DOJ_009271-9665; DOJ_009247-9249; DOJ_0012483-12491; DOJ_0012598-
 11 12613; DOJ_0012511-12517; DOJ_0012559-12563; DOJ_0012587-12588;
 12 DOJ_006386-6387; DOJ_009067-9071; DOJ_0012458-12468; DOJ_0012475-
 13 12482; DOJ_009107-9114; DOJ_009120-9126; DOJ_009134-9140; DOJ_009271-
 14 9665; DOJ_009134-9140; DOJ_009147-9151; DOJ_009152-9157; DOJ_009189-
 15 9193; DOJ_009194-9198; DOJ_009207-9214; DOJ_0012518-12524;
 16 DOJ_009247-9249; DOJ_0012483-12491; DOJ_0012598-12613; DOJ_0012492-
 17 12497; DOJ_0012498-12504; DOJ_0012511-12517; DOJ_0012559-12563;
 18 DOJ_0012564-12566; DOJ_0012567-12572; DOJ_0012584-12586;
 19 DOJ_0012587-12588; DOJ_0012589-12591; DOJ_0012483-12491;
 20 DOJ_0012598-12613. Additional information responsive to this Interrogatory may
 21 be ascertained from DOJ_12483-12491.

22 Information provided by **GSF Executive**, who worked as a finance manager
 23 at Global Santa Fe in EG, was corroborated and confirmed by the Government, as
 24 it was consistent with other information obtained in connection with the
 25 Government's investigation, including but not limited to open source materials,
 26 documents obtained by the Government from other witnesses and Government
 27 agencies and actors, Government law enforcement databases, and other individuals
 28 interviewed by the Government, including but not limited to **Construction**

Executive C, Construction Executive B, German Pedro Tomo (former EG timber company owner), **Bruno Beretta** (former EG timber executive), **John Bennett** (former United States Ambassador to EG), **EG CS 3** (an EG lawyer and former civil servant), **EG CS 4** (EG architect familiar with the construction sector), **EG CS 5** (EG law and public administration academic), **EG CS 7** (former foreign timber executive), **Christopher Kernan** (former EG country director for Conservation International), **John Palmer** (retired United States Forest Service officer who visited EG), **Simon Kareri** (a former vice president at Riggs National Bank) and **EG Fiscal Advisor A**. Additional information pertaining to these witnesses are available at DOJ_00062-94; DOJ_9067-9071; DOJ_009120-9126; DOJ_009152-9156; DOJ_9207-9214; DOJ_0012458-12468; DOJ_0012475-12482; DOJ_0012483-12491; DOJ_0012511-12517; DOJ_0012518-12524; DOJ_0012559-12563; DOJ_0012587-12588; DOJ_00394-398; DOJ_0012567-12572; DOJ_0012564-12566; DOJ_009147-9151; DOJ_0012567-12572; DOJ_0012584-12586; DOJ_0012587-12588; DOJ_0012589-12591. This witness' information was further corroborated and confirmed, as it was consistent with documents in the Government's investigatory files, which were also produced to Claimants, including DOJ_0000408-412; DOJ_0001049-1080; DOJ_0000842-863; DOJ_0000614-615; DOJ_975-1048; DOJ_758-777; DOJ_778-789; DOJ_0000408-412; DOJ_0001049-1080; DOJ_975-1048; DOJ_778-789; DOJ_0003914-5725; DOJ_006298-6332; DOJ_006386-6387; DOJ_0012458-12468; DOJ_009120-9126; DOJ_009207-9214; DOJ_0012518-12524; DOJ_009271-9665; DOJ_009247-9249; DOJ_0012483-12491; DOJ_0012598-12613; DOJ_0012511-12517; DOJ_0012559-12563; DOJ_0012587-12588; DOJ_000080-87; DOJ_006386-6387; DOJ_009067-9071; DOJ_0012458-12468; DOJ_0012475-12482; DOJ_009107-9114; DOJ_009120-9126; DOJ_009134-9140; DOJ_009271-9665; DOJ_009134-9140; DOJ_009147-9151; DOJ_009152-9157; DOJ_009189-9193; DOJ_009194-9198; DOJ_009207-9214; DOJ_0012518-

1 12524; DOJ_009247-9249; DOJ_0012483-12491; DOJ_0012598-12613;
 2 DOJ_0012492-12497; DOJ_0012498-12504; DOJ_0012511-12517;
 3 DOJ_0012559-12563; DOJ_0012564-12566; DOJ_0012567-12572;
 4 DOJ_0012584-12586; DOJ_0012587-12588; DOJ_0012589-12591. Additional
 5 information responsive to this Interrogatory may be ascertained from
 6 DOJ_0012589-12591.

7 Information provided by **EG Accountant A**, an accountant at a Big Four
 8 accounting firm in EG, was corroborated and confirmed by the Government, as it
 9 was consistent with other information obtained in connection with the
 10 Government's investigation, including but not limited to open source materials,
 11 documents obtained by the Government from other witnesses and Government
 12 agencies and actors, and other individuals interviewed by the Government,
 13 including **Construction Executive B**, **Construction Executive C**, **German Pedro**
 14 **Tomo** (former EG timber company owner), **Bruno Beretta** (former EG timber
 15 executive), **EG CS 7** (former foreign timber executive), **Christopher Kernan**
 16 (former EG country director for Conservation International), **John Palmer** (retired
 17 United States Forest Service officer who visited EG), **Simon Kareri**, **John**
 18 **Bennett** (former United States Ambassador to EG), **EG CS 3** (an EG lawyer and
 19 former civil servant), **EG CS 4** (EG architect familiar with the construction sector),
 20 **EG CS 5** (EG law and public administration academic), **EG CS 7** (former foreign
 21 timber executive), and **EG Fiscal Advisor A**. Additional information pertaining to
 22 these witnesses are available at DOJ_00062-94; DOJ_9067-9071; DOJ_009120-
 23 9126; DOJ_009152-9156; DOJ_9207-9214; DOJ_0012458-12468; DOJ_0012475-
 24 12482; DOJ_0012483-12491; DOJ_0012511-12517; DOJ_0012518-12524;
 25 DOJ_0012559-12563; DOJ_0012587-12588; DOJ_0012567-12572;
 26 DOJ_0012584-12586; DOJ_0012587-12588; DOJ_0012589-12591; DOJ_00394-
 27 398. This witness' information was further corroborated and confirmed, as it was
 28 consistent with documents in the Government's investigatory files, which were

1 also produced to Claimants, including DOJ_0000408-412; DOJ_0001049-1080;
 2 DOJ_0000842-863; DOJ_0000614-615; DOJ_975-1048; DOJ_758-777;
 3 DOJ_778-789; DOJ_0000408-412; DOJ_0001049-1080; DOJ_975-1048;
 4 DOJ_778-789; DOJ_0003914-5725; DOJ_006298-6332; DOJ_006386-6387;
 5 DOJ_0012458-12468; DOJ_009120-9126; DOJ_009207-9214; DOJ_0012518-
 6 12524; DOJ_009271-9665; DOJ_009247-9249; DOJ_0012483-12491;
 7 DOJ_0012598-12613; DOJ_0012511-12517; DOJ_0012559-12563;
 8 DOJ_0012587-12588; DOJ_000080-87; DOJ_006386-6387; DOJ_009067-9071;
 9 DOJ_0012458-12468; DOJ_0012475-12482; DOJ_009107-9114; DOJ_009120-
 10 9126; DOJ_009134-9140; DOJ_009271-9665; DOJ_009134-9140; DOJ_009147-
 11 9151; DOJ_009152-9157; DOJ_009189-9193; DOJ_009194-9198; DOJ_009207-
 12 9214; DOJ_0012518-12524; DOJ_009247-9249; DOJ_0012483-12491;
 13 DOJ_0012598-12613; DOJ_0012492-12497; DOJ_0012498-12504;
 14 DOJ_0012511-12517; DOJ_0012559-12563; DOJ_0012564-12566;
 15 DOJ_0012567-12572; DOJ_0012584-12586; DOJ_0012587-12588;
 16 DOJ_0012589-12591 . Additional information responsive to this Interrogatory
 17 may be ascertained from DOJ_0012498-12504; DOJ_0012584-12586.

18 Information provided by **EG CS 9**, who was involved in an intimate
 19 relationship with Nguema, was corroborated and confirmed by the Government, as
 20 it was consistent with other information obtained in connection with the
 21 Government's investigation, including but not limited to open source materials,
 22 documents obtained by the Government from other witnesses and Government
 23 agencies and actors, and other individuals interviewed by the Government,
 24 including, **CS 1**, **CS 2**, and two other confidential informants who were employed
 25 by Nguema in the United States. Additional information pertaining to these
 26 witnesses are available at DOJ_00178-182; DOJ_00183-188; DOJ-00199-202;
 27 DOJ_00265-268; DOJ_9167-9170; DOJ_9179-9188; DOJ_9215-9219;
 28 DOJ_12543-12549. This witness' information was further corroborated and

1 confirmed, as it was consistent with documents in the Government's investigatory
2 files, which were also produced to Claimants, including DOJ_0000178-182;
3 DOJ_0000183-188; DOJ_0000842-863; DOJ_009179-9188; DOJ_0012469-
4 12474; SENATE-PSI-00069602-00122836. Additional information responsive to
5 this Interrogatory may be ascertained from DOJ_0012469-12474.

6 Information provided by **CS 3**, who was familiar with Nguema's activities in
7 EG, was corroborated and confirmed by the Government, as it was consistent with
8 other information obtained in connection with the Government's investigation,
9 including but not limited to open source materials, documents obtained by the
10 Government from other witnesses and Government agencies and actors, and other
11 individuals interviewed by the Government. This witness' information was further
12 corroborated and confirmed, as it was consistent with documents in the
13 Government's investigatory files, which were also produced to Claimants,
14 including DOJ_0000209-211; DOJ_0000273-277; DOJ_0000303-308;
15 DOJ_0000315-321; DOJ_0000394-398; DOJ_0000399-402; DOJ_0000413-416;
16 DOJ_0000417-421; DOJ_0000422-425; DOJ_0000426-430; DOJ_0000431-434;
17 DOJ_0000440-442; DOJ_0000447-449; DOJ_0000450-453; DOJ_490-520;
18 DOJ_521-556; DOJ_000584-592; DOJ_644-650; DOJ_688-718; DOJ_719-729;
19 DOJ_790-808; DOJ_817-828; DOJ_0000838-863; DOJ_0000890-893; DOJ_915-
20 918; DOJ_0000919-925; DOJ_0000946-950; DOJ_952-959; DOJ_0000967-974;
21 DOJ_0001049-1080; DOJ_00001238-1283; DOJ_00001332-1440; DOJ_0001441-
22 1460; DOJ_00001472-1496; DOJ_3853-3913; SENATE-PSI-117457-118644; and
23 United States Department of State Annual Human Rights Reports located online at
24 online at <http://www.state.gov/j/drl/rls/hrrpt>. Additional information responsive to
25 this Interrogatory may be ascertained from DOJ_00241-251.

1 DATED: January 26, 2013

2 /S/



3 WOO S. LEE

4 Trial Attorney

5 United States Department of Justice

6 Attorney for Plaintiff

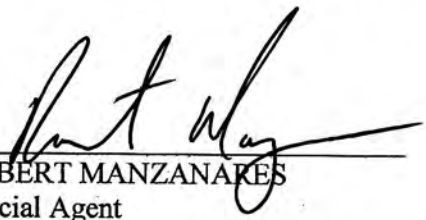
7 UNITED STATES OF AMERICA

VERIFICATION

I, Robert Manzanares, hereby verify and declare under penalty of perjury that I am a Special Agent with Homeland Security Investigations, that I have read the foregoing United States' Supplemental Responses and Objections to Claimants' Interrogatory No. 9, and know its contents. Everything contained in the response is true and correct, to the best of my knowledge and belief.

I hereby declare under penalty of perjury that the foregoing is true and correct.

Executed this 27 day of JANUARY, 2013, at FT. LAUDERDALE Florida.



ROBERT MANZANARES
Special Agent
Homeland Security Investigations
U.S. Department of Homeland Security

EXHIBIT 4

- Department of State

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09MALABO27 EQUATORIAL GUINEA RAW, PAPER 4: THE BUSINESS OF CORRUPTION

(U//FOUO)

09MALABO27 (Embassy Malabo)
UNCLAS SECTION 01 OF 05 MALABO 000027

03-12-2009 06:40 AM EDT

SENSITIVE
SIPDIS

KHARTOUM FOR FERNANDEZ; HARARE FOR CHISHOLM; YAOUNDE FOR DATT

E.O. 12958: N/A

TAGS: PREL, ECIN, ECON, EFIN, PGOV, EPET, ENRG, KCOR, PINR,
SOCI, EK

SUBJECT: EQUATORIAL GUINEA RAW, PAPER 4: THE BUSINESS OF CORRUPTION

REF: MALABO 26 AND PREVIOUS

1. (U) Triggered by changes underway in Washington D.C., upcoming personnel rotations in Embassy Malabo and animated by the recent attack on the capital, this is the fourth in a series of cables intended to update our perspective on Equatorial Guinea, and to provide a ground-level view of one of the world's most-isolated and least-understood countries to interested readers.

2. (SBU) SUMMARY: The low level of institutional development and peculiar financial management mechanisms may inflate perceptions of corruption in Equatorial Guinea (EG). Suddenly rich, the country's over-reliance on now-defunct Riggs bank, a lack of conflict-of-interest rules and a legacy of moonlighting further complicate EG's record. While significant concerns over the level of corruption remain, and as growing oil revenues fuel the local commercial boom, there are signs EG is moving toward improving public finance management -- and U.S. engagement is helping achieve results. End SUMMARY

3. (SBU) As in many other areas, Equatorial Guinea (EG) has a bad reputation when it comes to transparency and corruption. Numerous IOs/NGOs rate the country as one of the world's worst performers. However, these organizations may be working from a position of bias and with poor information. To our knowledge, none of them have undertaken recent on-the-ground surveys here. On the contrary, there are signs the perspective of the problem in EG may not be in complete alignment with reality. Moreover, assessments rarely take into full account the country's level of societal and institutional development.

4. (SBU) Legacy Issues: Part of the problem is the peculiar nature of the EG social environment. According to the former EG treasurer, who retired in 1993 just before the oil revenues started to flow, lack of resources in its early days often led the government to compensate officials with in-kind transfers. Land, operating licenses and import concessions were common forms of "payment" to ministers and other ranking officials during a period when "there was often no money to pay salaries." The practice began with EG government seizure of "abandoned" Spanish colonial holdings -- and their subsequent redistribution to officials as a means of compensation. As testament to the then-prevailing level of abject poverty, former U.S. Ambassador to EG Chester Norris (1989-1992) relates having to personally

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loan money to President Obiang himself so he could "buy gasoline to go to local political events." During the period of the "skinny cows," officials were only expected to be in the office three days a week. The remainder of the time they worked their farms or businesses in order to feed their families. During that period -- when local markets sold onions by the quarter, tomato paste by the spoonful, and the handful of taxis in circulation in Malabo required advance booking for use -- many Equato-Guineans energetically sought to avoid poorly-compensated government jobs. Some could not; especially those close to the president. Having himself come to power in a coup (one likely supported by outside forces) and constantly under threat of overthrow, he purchased loyalty by any means available.

5. (SBU) Those private entrepreneurs who mocked their poor public officials now see the tables turned. Once oil money started to flow in the mid '90s, many officials found themselves in improved positions. Money and power accumulated within the government. In addition, the once-meager returns from the earlier in-kind compensation for officials mushroomed as the economy expanded at one of the world's fastest rates. For one example, the single license to import cement into country has become extremely lucrative (NOTE: this license belongs to ABAYAK, a company partially owned by the president and first lady). In another, the only person authorized to provide notary services in Malabo is now one of the country's wealthiest men. These legacy privileges have been closely guarded by those receiving them, but demands from the younger generation and growing appreciation for competition is leading to gradual opening. The outgoing, but-still-powerful Minister of National Security once had the only modern hotel in Malabo. He built it on land that was part of his "skinny cow" compensation package, situated along the 4-lane airport highway that was until 2000 a single, muddy track. His now-aging hotel faces stiff

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competition from newer, more upscale arrivals: a French-owned "5-star" Sofitel, a Lebanese-run EG government complex, and (soon) a 300-bed Lebanese-owned Hilton Hotel near the Malabo airport. Forced to innovate, the former minister has just opened Malabo's first European-style bakery and associated ice-cream shop on his premises. Competition works.

6. (SBU) Legal Corruption: Representatives of a foreign, internationally-recognized law firm working closely with U.S. oil companies in EG for years tell us they are aware of rumors, have seen fully exploited "grey areas" but have never encountered a "smoking gun of outright corruption." They describe EG's anti-corruption statutes as "even more stringent than the (U.S.) Foreign Corrupt Practices Act." In practice, officials caught in the act are more often quietly removed from office and/or banished to some hinterlands task as penance than they are prosecuted. We know of not a single court case.

7. (SBU) Moreover, one major flaw remains: EG has no law limiting or even defining conflict of interest. Most ministers continue to moonlight and conduct businesses that often conflate their public and private interests. The Minister of Justice has his own private law firm, in which he maintains an active hand and open interest -- and which is not illegal under current EG law. In similar fashion, the Minister of Transportation and Communications is director of the board and owns shares in the parastatal airline, not to mention the national telephone company. The custom of simultaneously maintaining both official and private activities that became entrenched in the era of

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skinny cows has not been altered for the fat ones. There is public grumbling but little internal pressure to change the rules. Nonetheless, occasionally lines do get crossed. We understand the former Minister of Fishing and Environment lost his job when it was discovered he was occasionally going to Spain to sign over fishing licenses out of view of the rest of the government. There were also rumors that corruption led to the former Prime Minister's ouster (i.e., Ricardo Manguel). High officials appear to be insulated from prosecution, but apparently can't expect impunity.

8. (SBU) Family Matters: EG has an extremely tight, intricately interconnected society (REFTEL). There are no arms-length transactions here. The traditions of the predominant Fang tribe prevail, and the bonds of family are as strong as they are in any other culture. By American standards, these bonds are exceedingly powerful. Ministers themselves fall victim to these traditions and appear unable to avoid pressures to intercede in mundane matters on behalf of even lower-class family members. Failure to do so can result in loss of influence and ostracization within the family and clan. During a meeting with the powerful Minister of Interior in which he was interrupted by a telephone call, we were surprised to hear him engage in translation and explanation of a routine administrative document for an elderly aunt. "She doesn't read well and she speaks poor Spanish," he apologized. "These family matters must be attended to here." The tug-of-family and the opportunity for abuse of power are clear.

9. (SBU) Among those close to the president, two individuals are singled out for criticism both here and abroad -- the first lady, and her son, the "primogeniture" of President Obiang. "Teodorin" (or "little Theodor") as the son is known, lives the life of an international playboy and is widely accused of corruption. His purchase of a \$34 million mansion in Malibu, California once made Forbes magazine and attracted a great deal of attention. Yet when we probe him on the issue of corruption, he explains that during the time of the "skinny cows," the government "granted" him a concession to lumber a large tract of pristine continental jungle. The company he formed (and which he still owns, even though he is currently Minister of Agriculture and Forestry), brought in a Malaysian contractor with 40 teams of well-equipped lumberjacks who clear-cut, transported and shipped a wealth of whole logs to Asian markets -- leaving Teodorin with a large windfall. It also ruffled enough feathers that a new law was introduced that prohibited the exportation of whole logs and limiting clear-cutting. In the meantime, Teodorin continued entrepreneurial activities that often included purchase of foreign real estate. "I've been very

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lucky in business," he told us, "and I like to live well. My house in Malibu is now worth twice what I paid for it."

10. (SBU) The origins of his mother's initial grubstake were based in real estate, and by any measure she has since become a formidable local real estate baron. As the oil business took off, anyone with residential properties that supplied the basics (i.e., running water, electricity) saw demand for their properties soar. Earlier than most, the first lady identified and built into EG's sizzling real estate boom, where 100% return on investments in western-style construction can come within a single year of completion. Of course, it doesn't hurt with marketing if you are the first lady, and land for construction may be easier to come by than for some others. The president

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himself acknowledges his "private interests in Equatorial Guinea," which include support for his wife's real estate ventures. Once, in a new, stately presidential palace suite, waving a hand, he told us, "This doesn't belong to me. It belongs to the people. But I have to take care of my family, so I maintain private interests on the side."

11. (SBU) Anecdotal Indicators: Given the poor level of institutional development, the absence of appropriate law and the whiplash EG has experienced in going from poverty to riches in such a short period (a decade ago EG was among the very poorest countries in the world -- it now has one of the highest per capita incomes of any population), it is appropriate to focus on the issue of corruption. Yet apart from the obvious conflicts of interest, the rumors and accusations, there are some positive signs. Most EG government revenue is generated by exploitation of the country's growing oil and gas reserves. All production is currently led by U.S. oil companies extremely sensitive to the requirements of the U.S. Foreign Corrupt Practices Act. Thus we have a reasonable level of confidence regarding the accounting up to the point that royalty payments enter EG accounts.

12. (SBU) In this area too, there are positive signs. EG is a member of the 6-nation Central African Franc monetary union. In the past decade, and in competition with much larger countries such as Cameroon, Gabon, and Congo, EG's reserves in the associated Central African Bank went from a rounding error to over 60% of the sum total. While leaks are likely, a system hemorrhaging money to corruption is unlikely to have amassed reserves at such a rapid rate. A recent visitor from the secretariat of the Extractive Industries Transparency Initiative (EITI -- for which EG is voluntarily a candidate country) was "pleasantly surprised" to find EG's accounts to be in such good order.

13. (SBU) Riggs Rigged: The 2005 collapse of venerable Riggs Bank in Washington D.C. continues to hang over EG like a cloud. At the time of the Senate/OCC investigations, EG was discovered to have the largest cumulative balance in the bank. Yet study of the record shows the bank itself to have been at fault with regard to its reporting responsibilities, while the accounts associated with EG can be reasonably explained. Based on our conversations here, Equatoguineans readily accepted Riggs' advice regarding accounts and accounting -- assuming the bank was "acting properly." As the increasing flow of dollar-denominated oil revenues built up, and attractive interest income streams ensued (which was not always the case with EG funds held in the BEAC -- the Central African central bank), individuals associated with the EG government began to open private accounts. Both the amounts in the government accounts and those in individual accounts are easily in line with amounts generated respectively by oil revenues and private activities of those concerned. Recognizing the crippling human capacity challenges in the country and the need for western (particularly U.S.) education, the EG government even worked with the bank to set up accounts for two separate scholarship funds, which the bank (poorly) administered. EG leaders were "surprised" to learn U.S. government investigators took a dim view of this arrangement.

14. (SBU) As a country, EG has poor level of appreciation for international best practices in accounting. From the EG perspective, the country relied on Riggs for good advice, which

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it did not receive. EG continues to struggle with very meager institutional development in the area of public finance and financial management. One element scrutinized by U.S. investigators of the Riggs affair was the peculiar signatory authority utilized on EG accounts. Long after closure of its Riggs accounts, President Obiang is still proud to say he is paymaster for the EG government. He continues to personally maintain control of the checkbook, "because I've learned I can't trust anyone else." Countersigned checks are his way of ensuring money goes where intended. He has been attacked by some for exerting this level of control, but given what we know about the current low level of institutional development and lack of capacity, it may be more prudent than immediately apparent. There are very large numbers of public projects underway and the president is famous for making surprise personal appearances to spot-check for progress, conformity and quality. The tactic is reported to keep contractors on their toes. Nevertheless, it is in these downstream, public expenditures that we lose visibility and in which the greatest opportunities for corruption persist. Rumors abound of influence buying, bid rigging and kickbacks. Without developed institutional oversight and internal controls, one person can't supervise everything, but woes betide those who are caught in the act.

15. (SBU) Progress: There are two bright spots and a promising glimmer regarding improvement in EG's management of public finances, all of which have significant USG angles. One is the unique "Social Development Fund" (SDF) whereby EG ministries are learning to manage project development, planning and execution in ways that are consistent with international best practices. SDF is fully funded by the EG government, and involves direct payment to USAID for 3 years and about \$15 million worth of technical assistance to establish mechanisms and procedures for social projects that range from health to education. An overarching goal is to set in motion institutional development leading to a government-wide system that meets international standards. After fits and starts, the Fund has moved into the execution phase of initial round of projects, with dozens more in development and new ministries coming onboard.

16. (SBU) Another promising sign is EG's determination to become a member of the Extractive Industries Transparency Initiative (EITI), an international effort supported by former British PM Tony Blair and Transparency International's Peter Eigen. Encouraged by the embassy, EG has mounted a serious, voluntary effort to obtain candidate status and move toward full membership. In another demonstration of the capacity challenges confronting the country, the key stumbling block is not accounting and transparency so much as a very low level of development of the country's nascent civil society -- a key "watch-dog" component of the EITI process. With a 200 million euro project underway, the EU is engaged in helping civil society grow to fill this gap.

17. (SBU) Finally, we have been told by the Minister of Finance that EG will pursue a request for USG assistance (specifically Treasury Department official technical assistance) in professionalizing his ministry, and which the government of EG will partially or fully fund. His letter making this request has been drafted and is "awaiting the council of ministers approval," expected soon.

18. (SBU) Conclusion: While we make no claim of having undertaken an exhaustive study of corruption in EG, we find local nuance and "ground truth" to be at odds with

- Department of State

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often-exaggerated claims made by the international press and even by NGO's that focus on this issue set. Flush with oil money, the value of corrupt actions is probably growing. However, anecdotal evidence suggests the incidence of corruption is declining. Businessmen describe EG as a "good place to work, but a hard place to do business." I.e., while it is relatively safe and secure, many of the actors who populate the country are working the angles for their own personal and family benefit. The FCPA and resulting performance of U.S. oil companies has helped secure a reputation for Americans of being honest and straight, which helps keep the worst of the crooks at bay. Other international players may have less integrity. The good

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reputation we enjoy attracts EG leaders who want to see the business and legal environment improve. Here too, additional U.S. assistance can help, as the results above show.
SMITH

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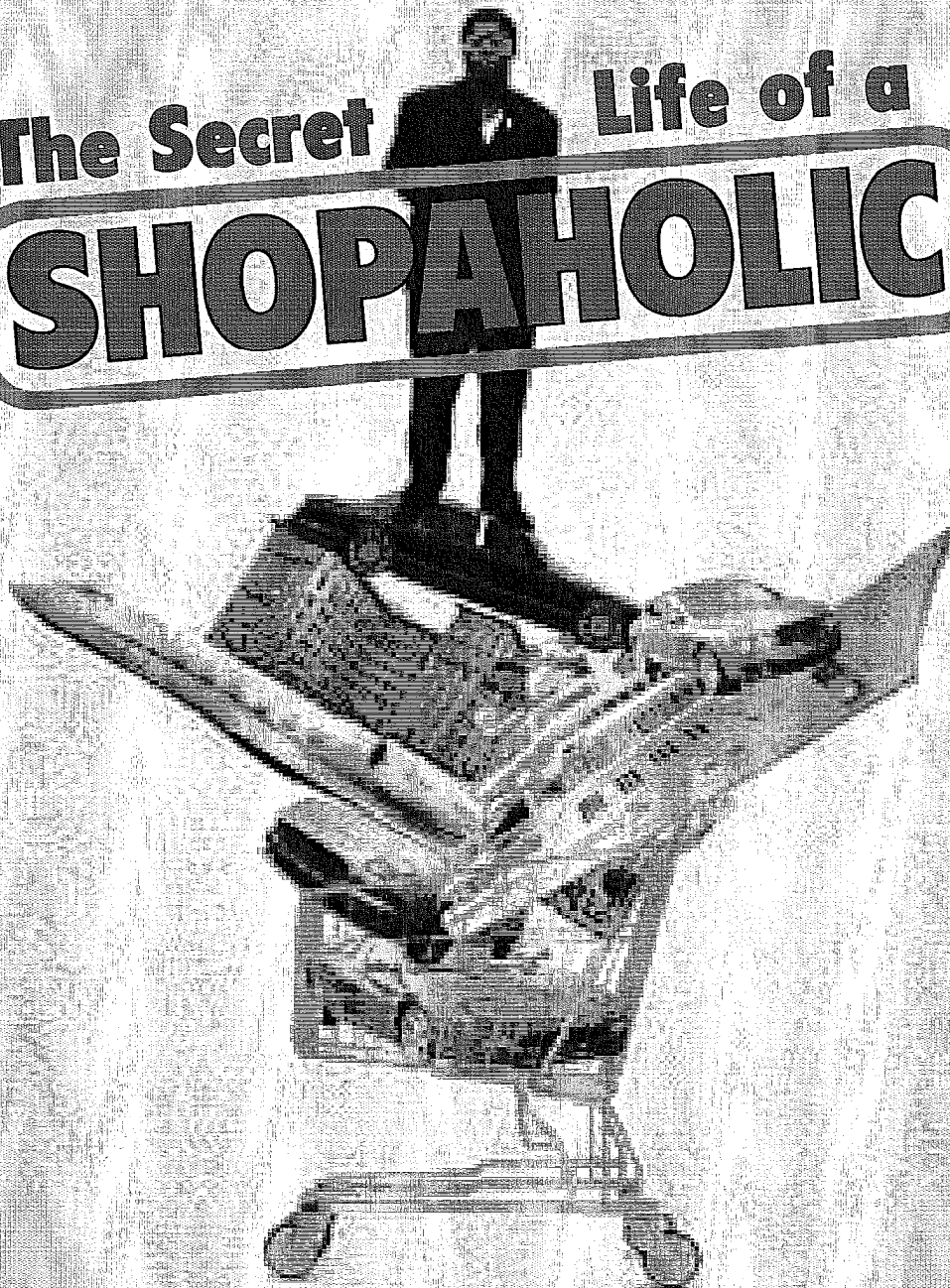
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EXHIBIT 5



global witness

The Secret Life of a **SHOPAHOLIC**



**HOW AN AFRICAN DICTATOR'S PLAYBOY SON
WENT ON A MULTI-MILLION DOLLAR
SHOPPING SPREE IN THE U.S.**

A report by Global Witness, November 2009

This report by natural resources, conflict and corruption watchdog Global Witness was written with the help of Ken Silverstein, the investigative journalist who first broke the Riggs Bank scandal story at the *LA Times* and who now writes for *Harper's*.

Riggs Bank billed itself as 'bank of presidents', a venerable Washington institution which banked for Abraham Lincoln himself. It fell apart in 2004 after a U.S. Senate committee investigation and federal criminal investigators found it had been holding accounts and facilitating money laundering for corrupt President Obiang of Equatorial Guinea and his family members. This report carries on that story. In the first of a series of collaborations, we combine our investigative powers to reveal secret U.S. government documents that allege a crime spree by President Obiang's son Teodorin. The documents relate to a preliminary investigation; charges have not been made. He continues to live a fantastic and profligate lifestyle in the U.S. while ordinary citizens of Equatorial Guinea live in poverty and oppression.

With its oil income, paid for by American companies, Equatorial Guinea should be one of the richest countries in the world. Instead its people are among the poorest. Despite an official salary of \$4,000 - \$5,000 a month as a minister in his dad's government, Teodorin has acquired a fleet of fast cars, a \$35 million mansion in Malibu, a private jet and he is reported to be building a 200-foot custom luxury yacht, complete with shark tank.

Laws already in place in the United States would prevent Teodorin from enjoying the proceeds of corruption on U.S. territory, and provide the basis both for revocation of his visa and potential seizure of his U.S. assets. They have not been used, despite knowledge on the part of U.S. enforcement agencies, set forth in confidential U.S. Department of Justice documents; that Teodorin was involved in grand corruption and using illicit proceeds to fund his U.S. lifestyle.

The U.S. government continues to allow him into the country, despite the fact that the State Department is legally obligated to maintain a list of foreign officials against whom there is credible evidence of corruption, who are denied visas. That an individual like Teodorin is able to move and spend his money relatively easily in the U.S. is a scandal. We are publishing the contents of these confidential memos now because law enforcement efforts against him appear to have stalled.

Teodorin is able to spend lavishly in the U.S. because banks, despite the devastating lesson of what happened to Riggs, have continued to process and accept Teodorin's money as it comes into the U.S.. These banks, this report will show on pages 13-14, are Bank of America, Wachovia, UBS, Union Bank of California, and First American Trust. This is a spectacular moral failing on the part of these banks, and reveals a disturbing chain of gaps in the design and implementation of the anti-money laundering laws.

The U.S. has generally taken a far more effective and robust approach to tackling foreign corruption and bribery than many of its international peers. Nonetheless, dangerous regulatory holes in the fence remain that frustrate efforts to tackle the flows of corrupt money into the U.S., further complicated by the difficulty in gathering evidence against venal ruling elites when they are able to use the sovereignty of their captured and corrupted state as a shield.

At the end of this report are a series of policy recommendations for the U.S. government. The ongoing banking regulatory reform process in Congress offers a significant opportunity to tackle many of them.



President's son
Teodoro Nguema
Obiang (TNO) went
on a shopping
spree in the
United States

Nestled high in the hills overlooking the ocean off Malibu Beach sits the exclusive, gated community of Serra Retreat, which according to a local realtor's website offers some of the area's "most stunning and distinctive homes."

Serra Retreat has less than 100 properties, whose owners have included Hollywood stars such as Mel Gibson and Britney Spears. Perhaps the most lavish property in Serra Retreat is an estate at 3620 Sweetwater Mesa Road, which sits on sixteen acres of land and boasts a swimming pool, tennis courts and a four-hole golf course. Teodoro Nguema Obiang Mangué, or TNO, son of the dictator of Equatorial Guinea, a tiny nation on the coast of West Africa, paid \$35 million for the property three years ago.¹

The majority of Equatorial Guinea's people survive on less than \$1 a day, but 41-year-old Obiang Mangué belongs to a tiny sliver that have grown rich since American oil firms discovered oil there 15 years ago: the family of Lieut. Gen. Teodoro Obiang Nguema Mbasogo, his father, who runs a corrupt dictatorship.

TNO is considered a likely successor to his father. He holds the title of Minister of Forestry, Fisheries & the Environment – more popularly known as the Minister of Chopping Down Trees – which offers a salary of about \$4,000 – \$5,000 per month. At that rate, as Global Witness mentioned in a prior report², it would have taken TNO somewhere between 580 and 730 years to squirrel away enough money to buy his Malibu property, assuming he had no other expenses and paid no taxes on his income.

Why TNO is allowed to set foot into the United States, let alone to own tens of millions of dollars worth of assets there, is not immediately evident. In 2004, George W. Bush issued Presidential Proclamation 7750, which bars corrupt foreign officials

Despite earning a salary of a few thousand dollars a month, TNO bought this \$35 million Malibu mansion



from entering the United States; in 2006 he launched a cross-departmental Anti-Kleptocracy Initiative. A measure passed by Congress in 2008 and renewed in 2009 also flatly states that the U.S. government should deny visas to foreign officials where there is "credible evidence" they are involved in corruption.³ Under President Obama, the State Department issued a report last July, saying "Anti-corruption is a tenet of U.S. foreign policy because corrupt practices sabotage development efforts, lead to misuse of public resources, erode confidence in democratic institutions, and ease the way for transnational criminals and terrorists." The United States would continue "to deny or revoke visas to payers of bribes and corrupt officials, with increased scrutiny of those involved in corruption in the extraction of natural resources," the department said.⁴

That TNO should be barred on such grounds is well known to U.S. authorities. Previously undisclosed documents from a joint Justice Department/Immigration and Customs Enforcement (ICE) investigation, obtained by Global Witness, inventory TNO's American-held assets. In addition to his Malibu mansion, they include a \$33 million private jet, millions of dollars worth of sports cars, and at least two luxury boats. The documents detail a host of his alleged criminal activities, ranging from "drug binges" to money laundering.⁵

"[I]t is suspected that a large portion of Teodoro Nguema OBIANG's assets have originated from extortion, theft of public funds, or other corrupt conduct," says a Justice Department document, dated 4 September 2007, which sought assistance for the investigation from the French government. Owing to "the sensitive nature of this investigation involving senior foreign public officials and because criminal charges have not yet been filed, we ask that the subject of this request and the existence of a U.S. investigation on this subject be kept strictly confidential," it said.⁶

TNO funneled roughly \$75 million from overseas into the United States between 2005 and 2007, says the Justice Department memo. The documents relate to a preliminary investigation; charges have not been made. The confidential documents identify the shell corporations and bank accounts through which he moved the money, which TNO used to buy the Malibu estate and the luxury jet. The documents also show that some of the major American banks involved filed suspicious activity reports to the authorities about TNO's financial transactions and eventually blacklisted him as a customer – but not until after they had helped him move tens of millions of dollars. As this report will show, any meaningful due diligence would have

raised big questions about whether a bank should have proceeded with these transfers.

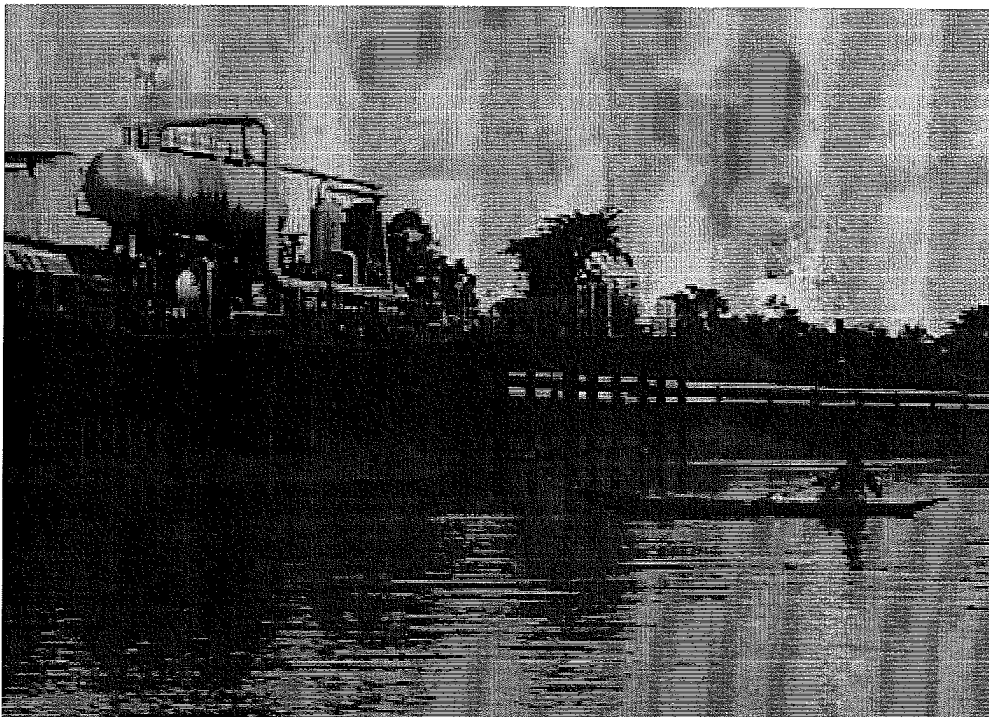
A second document, prepared by ICE's lead investigator on the case, identified the inquiry's goals as being to "identify, trace, freeze, and recover assets within the United States illicitly acquired through kleptocracy by Teodoro Obiang and his associates," and to "deny safe haven in the United States to kleptocrats, in accordance with presidential proclamation 7750." Yet despite the overwhelming evidence already compiled by investigators as of two years ago, the inquiry is effectively stalled, according to sources that spoke about the case.

The list of foreign officials barred under Proclamation 7750 has only about 3 dozen names on it, sources have told Global Witness. While these names are kept strictly secret by the State Department, a spokesman at Equatorial Guinea's embassy in Washington told Global Witness that TNO is not on it. The spokesman, who asked to remain unidentified, said that TNO had in fact traveled unhindered to the United States as recently as late-September, when he was in Houston to help inaugurate officially his country's consulate there.⁷

(Many of those in attendance at the ceremony were American energy company officials.⁸)

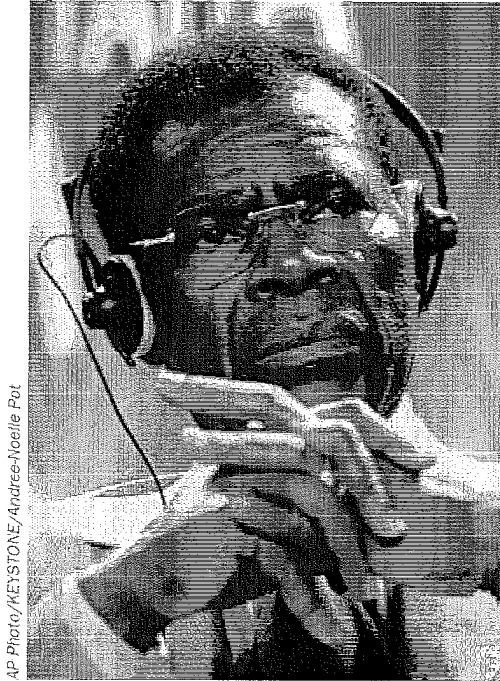
"Natural resources are the only significant source of wealth in many developing nations, and we have seen how easily the proceeds can be exploited by government officials for their own self interest," said Senator Patrick Leahy, who played a key role in passing the congressional amendment barring corrupt officials from entering the United States. "Some of these despots have used this ill gotten wealth to live in luxury in the United States. We should not facilitate their crimes against their own people, and we have every right and obligation to deny them entry."⁹

Jack Blum, a former congressional investigator into the BCCI bank scandal and now a private attorney specializing in cases involving money laundering and foreign corruption, suggests that the lack of action against TNO may be tied to Equatorial Guinea's energy wealth and close relationship with U.S. oil companies. "The least they could do is cut off his shopping privileges by denying him entry into the United States," he said. "Where the hell is the U.S. government?"¹⁰



Revenues from natural resources, such as oil, should be improving the lives of the world's poorest people. But Equatorial Guinea's oil wealth is squandered by a small corrupt elite

TNO's father, Teodoro Obiang, is a brutal dictator who has crushed opposition



Roughly the size of Maryland, Equatorial Guinea gained independence in 1968 and is the only former Spanish colony in sub-Saharan Africa.

The country's first ruler was Francisco Macias Nguema, the self-declared "Implacable Apostle of Freedom" and "Sole Miracle of Equatorial Guinea." As many as 50,000 people, roughly 10 percent of the population, were murdered during the Macias era, which came to a close in 1979 when the Sole Miracle was overthrown and executed by Obiang.¹¹

The latter was no reformer. As head of the National Guard and later commander of the armed forces, he played a major role in carrying out the terrible repression of the Macias years. John Bennett, the former American ambassador to the country, describes him as the "chief executioner [who] carried out most of the killing and torturing that took place under Macias."¹²

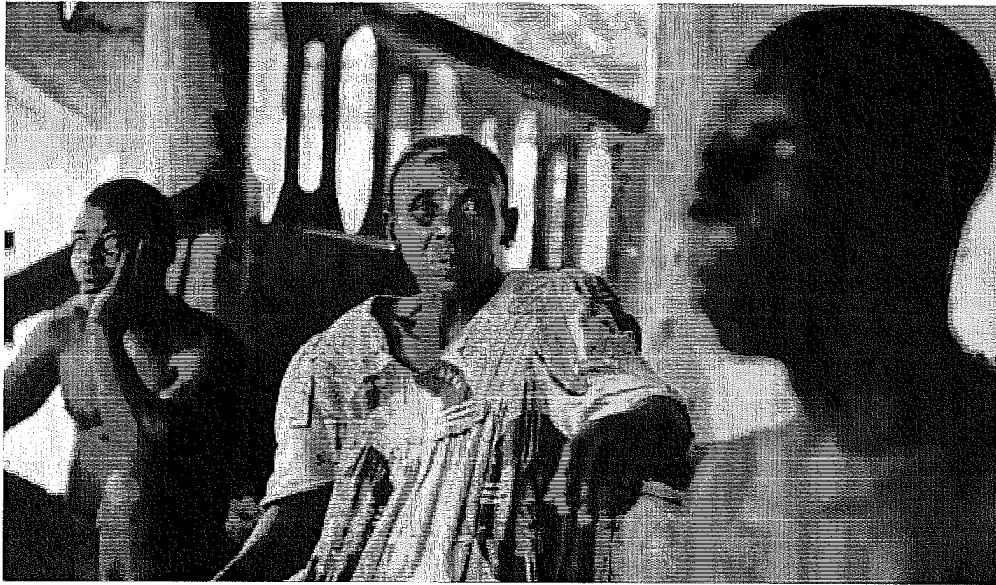
Since taking the reins of power, Obiang has squashed political opposition and crushed almost all dissent. He has been "elected" three times in balloting marred by fraud

and violence (in 1989 with 99 percent of the vote, in 1996 with 97.8 percent, and in 2002 with 97.1 percent).¹³ The ruling party currently controls 99 of the 100 seats in parliament and Obiang has staffed top government ministries, the security forces and the judiciary with his relatives and members of his own ethnic clan.¹⁴ His second son, Gabriel Obiang Lima, controls oil revenues through his position of vice-minister of mines, industry and energy. Teodoro Biyogo Nsue, Obiang's brother-in-law, served as ambassador to the United States before gaining his current post as ambassador to Brazil.

The State Department's most recent annual global human rights survey, released in February 2009, said abuses in Equatorial Guinea included "unlawful killings by security forces; government-sanctioned kidnappings; systematic torture of prisoners and detainees by security forces; life threatening conditions in prisons and detention facilities; impunity; arbitrary arrest, detention, and incommunicado detention...restrictions on freedom of speech and of the press; restrictions on the rights of assembly, association, and movement; government corruption; violence and discrimination against women; suspected trafficking in persons; discrimination against ethnic minorities; and restrictions on labor rights."¹⁵

Equatorial Guinea was one of the most isolated countries on the planet up until the mid-1990s, a destitute pariah state with few international allies. Then, American energy firms, led by ExxonMobil, ChevronTexaco, Marathon and Amerada Hess, discovered vast reserves of oil and gas in the offshore waters of Equatorial Guinea, and billions of dollars in American corporate investment poured in. Since then, the country has become the third-largest producer of oil in sub-Saharan Africa.¹⁶ Between 1993 and 2007, annual government oil revenues shot from \$2.1 million to \$3.9 billion.¹⁷

Equatorial Guinea now enjoys a per capita income of about \$37,200, one of the highest in the world.¹⁸ Yet 77 percent of the population lives in poverty, 35 percent die before the age of 40, and 57 percent lack access to safe water. Between 1990 and 2007 the infant mortality rate actually rose from 10 to 12 percent.¹⁹



This family made a living from fishing, but are now blocked from the beach by an oil company's secure zone. Despite the country's huge wealth, most of the population of Equatorial Guinea lives in dire poverty

Eyewire/Paolo Woods

Concealed within the technical jargon of an October 2008 report by the International Monetary Fund (IMF) on Equatorial Guinea is a bleak portrait of a regime awash with oil money but deeply reluctant to spend more than a small fraction on the welfare of its own people. Poverty is "strikingly high" and there is no social safety net, though the government has promised to pay some "modest" food subsidies to households.

More than a third of public investment goes towards highways and other public infrastructure, with only a small percentage going towards health, water and education. Equatorial Guinea is investing four times more money in its Presidency (3.2 % of public investment) than in the country's water and sewage (a tiny 0.7 %). It is also spending substantial amounts "on hotel and related infrastructure is necessary to meet upcoming international obligations (the summit of the African Union, in 2011, and the Africa Cup of Nations, in 2012)."²⁰

In other words, Obiang's regime appears willing to spend more on prestige projects to impress other African countries than on clean water for its own people.²¹

Meanwhile, Equatorial Guinea has gained strategic value to the United States as Africa emerges as an important energy ally – other major producers in the continent include Nigeria, Angola, Cameroon and Gabon – and all the more so given political turmoil and instability in the Middle East. Africa now provides 21 percent of America's oil imports, more than the Persian Gulf.²²

prompting the Pentagon to inaugurate the U.S.-Africa Command in October 2008. In June of this year, President Obama visited the West African nation of Ghana, his first trip to the continent as president. His visit "held a special resonance for Big Oil and American businessmen," said a UPI story. "Ghana...is on the cusp of oil wealth – and the United States wants it."²³

"No country is going to create wealth if its leaders exploit the economy to enrich themselves," Obama said when he addressed parliament in Ghana. "No person wants to live in a society where the rule of law gives way to the rule of brutality and bribery. That is not democracy, that



A new stadium in Malabo. The Obiang regime appears more willing to spend money on prestige projects than on clean water

Flickr/Melanie and John Katsopoulos

is tyranny, and now is the time for it to end.”²⁴ It is important that the new Obama administration is able to match its rhetoric on good governance and revenue transparency with concrete actions, including in strategically important energy-rich countries such as Equatorial Guinea.

In August of this year, Secretary of State Hillary Clinton traveled to Angola, where she offered only the faintest criticism of the government’s legendary track record of corruption or its failure to hold a presidential election that was originally scheduled to take place in 1997. While Secretary Clinton stressed the importance of good governance and anti-corruption efforts throughout her trip to Africa, it was disappointing that she did not make stronger public statements on the need to promote greater transparency in the management of oil revenues during her visit to Angola. She publicly said that the focus of her trip was “to deepen and strengthen our energy partnership” and “to explore ways to advance energy security.”²⁵

Historically, the United States has exerted little pressure on the Obiang regime to improve its record on human rights and corruption. In 2003, following an intense lobbying campaign by the oil industry, President Bush decided to reopen the American embassy in the country, which had been shut down eight years earlier

for budgetary reasons and human rights violations. (The decision to close the embassy was made easier by the fact that, in addition to repressing its own citizens, the Obiang regime had threatened to kill then-Ambassador Bennett.)²⁶

In 2006, Obiang met with then secretary of state Condoleezza Rice, who called him “a good friend” to the United States.²⁷ Last year Senator John Isakson from Georgia, a member of the Senate Foreign Relations Committee, visited Equatorial Guinea and met with government officials to discuss “issues of common concern.” He also visited a natural gas plant, which ships gas to the port of Savannah in his home state.²⁸

The Obiang family has not been terribly discreet about its plundering of the national treasury. In late 1999, President Obiang paid \$2.6 million for a mansion in the Maryland suburbs that has 10 bathrooms, seven fireplaces and an indoor pool. The following year he bought a second Maryland property for \$1.15 million.²⁹ In 2008, a Spanish civil rights group filed a complaint charging that Obiang and 11 relatives had used laundered funds to buy chalets and real estate in the country;³⁰ an investigation is now under way and court details are being reported in Spain about the alleged transfers. A lawyer for the government of Equatorial Guinea wrote to *El País* earlier this year rejecting the allegations made in the complaint.³¹

President Obiang met Condoleezza Rice in 2006. She called him a “good friend” to the U.S.



US Department of State



Bosses of disgraced Riggs Bank testifying before Congress. Riggs collapsed because it banked for the Obiang family, yet U.S. banks continue to process payments for TNO

AP Photo/Dennis Cook

A 2004 report by the Senate Permanent Subcommittee on Investigations found that President Obiang had control over some \$700 million in state funds, deposited by American oil companies active in Equatorial Guinea, at Riggs Bank in Washington, D.C. (Subsequent to the investigation, Riggs Bank paid \$41 million in civil and criminal fines for violations of banking regulations, a senior vice president pled guilty to fourteen counts of fraud and money laundering, and it was eventually bought at great loss to shareholder value by PNC Bank.)³² According to the report, Chevron, Marathon, Amerada Hess Corporation, ExxonMobil and other American oil companies "may have contributed to corrupt practices by making substantial payments to, or entering into business ventures with," government officials in Equatorial Guinea, their family members, and businesses they controlled.³³

"Before oil money came in there was not a lot of money to steal, and when the oil money did start coming in there were no safeguards in place," said Antony Goldman, head of PM Consulting, a London based energy consulting firm. "There was no culture of government oversight, no media, let alone an independent media, no independent judiciary and no outside scrutiny, because the country had been largely forgotten by the outside world. That

all allowed corruption to flourish in ways it did in very few other countries."³⁴

When it comes to profligate public consumption by the Obiang clan, TNO – who had three accounts at Riggs, including one opened for a Bahamian offshore corporation named Awake Ltd. – is Exhibit A. For high school, he was sent abroad to be educated at an exclusive French boarding school. TNO attended university in France as well, though little in the way of education appears to have taken place there. A former U.S. intelligence officer, who after joining the private sector was hired to track TNO's activities because he was viewed as a potential successor to his father, said his academic career in France was marked by extensive partying and general revelry.³⁵

In late 1991, TNO enrolled in a non-degree English as a Second Language course at Pepperdine University in Malibu. Elisa Wax, director of the course during that time, recalled TNO arriving to campus in sports cars or limousines. "He had, literally, an entourage," she said. "He was there to party. He rarely came to class."³⁶

Other than paying \$3,400 per session, there were no admissions requirements to the program. Though TNO's tuition included boarding at Pepperdine, he shuttled between the Beverly Wilshire Hotel and

The Beverly Wilshire, one of the hotels TNO stayed at while a student in the U.S.



a house he rented in Malibu, which he destroyed. "There was a fire," Wax said. "He literally trashed it."³⁷ TNO has not responded to this allegation.

Meanwhile, Wax received a steady stream of phone calls from the Beverly Wilshire and shops in Beverly Hills trying to track down Teodorin to settle outstanding bills. She would direct these calls to a representative at Walter International, a Houston-based firm, later bought up by CMS Energy, that then had a stake in Equatorial Guinea's offshore fields and that financed TNO's "studies" at Pepperdine. The woman assigned by Walter to handle these complaints was "pulling out her hair," Wax said. "There were people trying to locate him from all directions."

Bennett, who was ambassador at the time and was informed of TNO's behaviour at Pepperdine – he dropped out of the program after five months – said TNO racked up \$50,000 in expenses that Walter International had to cover.³⁸

Following his time at Pepperdine, TNO returned to France, where he briefly worked at a logistics firm called Saga, which had extensive interests in Africa and was looking to expand into Equatorial Guinea. Saga appears to have hired TNO merely as a means of currying favor with President Obiang. "Teodorin didn't do any work and rarely turned up," said a person familiar with his tenure at Saga. "He just took up desk space."³⁹

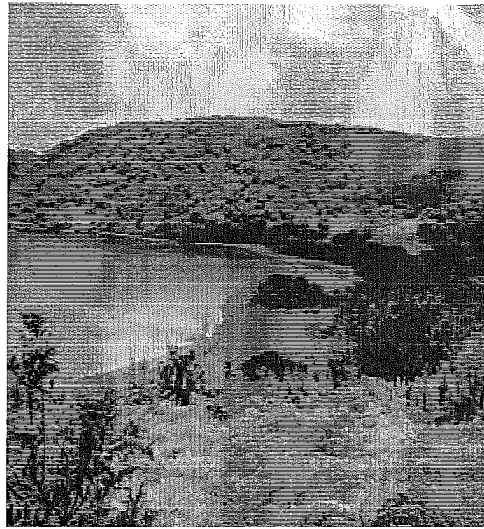
TNO traveled back and forth to Equatorial Guinea on a regular basis in the 1990s. When he was there, his father sought to promote his political profile, which proved to be a challenging task, given that he spoke his native language like a foreigner when he appeared on local TV, according to the former U.S. intelligence official.⁴⁰ This source said that Obiang's efforts to promote TNO also encountered resistance from tribal elders, who were disgusted by his "profligate behavior."

By the late-1990s, TNO had been appointed by his father as minister of forestry, fisheries & the environment. As TNO simultaneously owned a major forestry company, this arrangement is roughly equivalent to allowing the U.S. Secretary of Defense to own Lockheed Martin.

At the time, oil and gas generated little money and forestry was the major source of state revenue. "There were Malaysian, North Korean, and Chinese logging camps on the mainland, and he collected cash from them for ... logging operations, much of it involving valuable hardwood," said the former U.S. intelligence source. His account was corroborated in part by the Justice Department/ICE documents, which state that as minister of forestry, TNO had "instituted a large 'revolutionary tax' on timber, but insisted that the payments be made directly to him, either in cash or through checks to Somagui Forestal, a forestry company owned by Teodoro Nguema OBIANG."

Despite his reputation, the French government courted and developed TNO to be its man-in-charge after his father died. French authorities also protected him when he lived in Paris, once covering up the circumstances of an accident in which he totalled a luxury car, according to the former intelligence official. He said that French agents out of Gabon paid money to TNO, as did Elf-Aquitaine. The French state oil company, later bought by Total, became famous for bribing foreign leaders, although TNO was not among those identified by the 2003 Elf investigation and trial in France.⁴¹ "The French had troops stationed on Pico Bazille, which overlooks Malabo and was the major telecommunications node for the country," he said. "They had a plan in place to control the airport, the ports, and telecommunications in the event of instability."

TNO often visited French Legionnaires stationed on Pico Bazille, but he also sought ties to the United States, especially as French influence in West Africa was waning and the U.S. was seeking to expand its influence in the area. "The Pentagon had Special Forces in the country and they worked closely with Teodorin," this person said.⁴² "He wanted U.S.-trained Equatoguinean troops to be



Flickr/Merlie and John Kotsopoulos

TNO is known as the Minister of Chopping Down Trees. He allegedly imposed a "revolutionary tax", payable directly to him, on timber companies

loyal to him and available to him when his father died."

As to American willingness to push Equatorial Guinea towards democracy, the former intelligence official remarked: "We will go through the motions, we will push democracy, but we'll live with what's put together there because we do not have any good options. We need their oil. The political leadership is illiterate and brutal in its crude way, but they know how to stay in power. If the elder son takes power, you live with it."



U.S. Army

The U.S. 3rd Special Forces group, pictured here in Mali, trained troops in Equatorial Guinea. Special Forces allegedly worked closely with TNO

The Plaza Athénée Hotel, Paris, where TNO stayed. TNO leads a life of luxury while the people of Equatorial Guinea suffer



An itemized list of TNO's assets would be impossible to produce, but in Equatorial Guinea they have included a number of logging firms and an airline.

He also runs Equatorial Guinea's only private radio station and a government TV station, both named Asonga. (In 2003, the radio station declared that President Obiang was a God "in permanent contact with the Almighty" who can "kill anyone without going to hell").⁴³

In Los Angeles, TNO owned and operated a hip-hop label called TNO Entertainment, which produced two albums before going out of business. In an effort to woo the rapper Eve, he rented a 300-foot yacht from Microsoft founder Paul Allen for \$680,000;⁴⁴ Eve dated TNO for a time.⁴⁵ A request for comment sent to Eve's publicist was not responded to.

A source intimately familiar with Teodorin's spending habits from his Riggs Bank accounts said that he would frequently call his personal banker with imperious and extravagant demands. One day he'd want arrangements made to fly his friends to Rio de Janeiro for Carnival; on another day he'd need to have a Bentley

air-freighted from Scotland to Los Angeles; and on another still he'd demand that a helicopter be immediately dispatched to offload a female companion from a cruise ship because she had fallen out of his favor. According to this source, TNO also was offering a six-figure reward for an introduction to Halle Berry.⁴⁶

TNO has been a defendant in several civil cases in California, being accused of stiffing contractors⁴⁷ and taking wrongful possession of a Mercedes Benz CL600c. In the latter case a Mercedes leasing company alleged that another defendant had leased the car for \$125,000 over four years and then, despite not being the legal owner, sold it to a fraudulent car dealership. TNO then bought the Mercedes from the dealership. According to the Mercedes company, TNO's purchase of the car was 'wilful, intentional and malicious'. Neither TNO nor the other defendant responded to summons in the case, which was settled out of court in 2003.⁴⁸ The Mercedes leasing company declined to comment on the case.

In France, one of his favorite playgrounds, a TV crew once filmed TNO driving down the Champs-Élysées in a Bentley and on a shopping spree during which he bought 30 designer suits in a single afternoon. He was also filmed at the luxury hotel where he lived and sampling expensive wines "Très bien, très bien," he says while sipping from a glass of red.⁴⁹

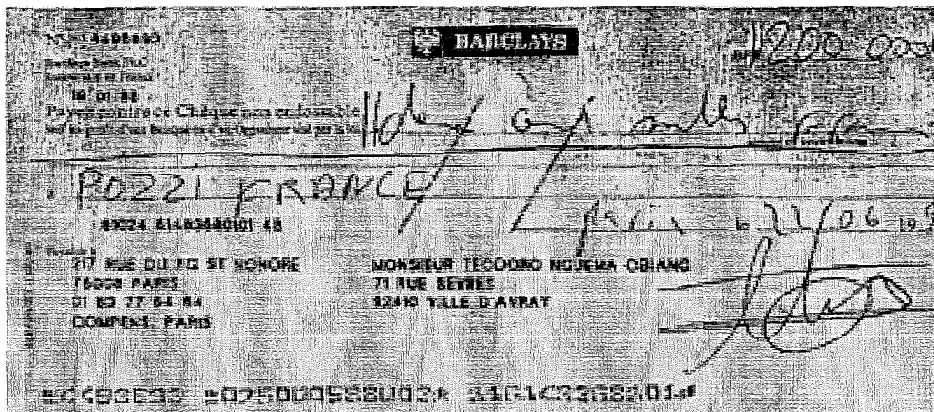
A Western businessman who had dealings with TNO in the late-1990s, recalled meeting him in Paris, where he was staying at the Plaza Athénée, which is located between the Champs Élysées and the Eiffel Tower, and is one of the city's most luxurious hotels. TNO had commandeered three suites there – the current rate for suites starts at \$1,400 a day and goes up to \$29,000 – and booked a number of other rooms for his entourage, including bodyguards and girlfriends. “He had the EG ambassador to France running around like his personal servant,” the businessman said.⁵⁰

TNO also invited this person to a large dinner at La Maison du Caviar. “He had a private room and he ordered a lot of champagne and so much caviar you could have scooped it with a shovel,” the source said. “All he knows is how to spend money, that’s how he measures success.”

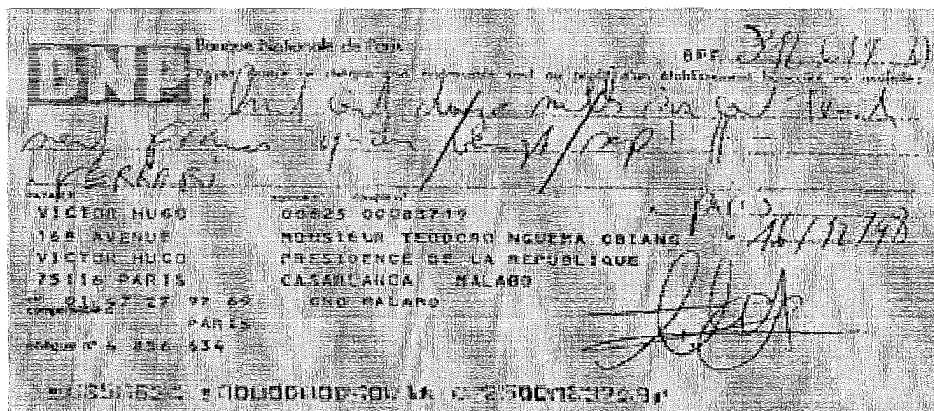
In 2007, three French non-governmental organizations – Sherpa, Survie and Fédération des Congolais de la Diaspora – filed a legal complaint alleging that

the ruling families of Equatorial Guinea and several other African countries had acquired vast assets in France that could not be the fruits of their official salaries. A police investigation in response to the case uncovered tens of millions of dollars worth of luxury properties and cars, and dozens of bank accounts belonging to the rulers and family members of Republic of Congo, Gabon and Equatorial Guinea. TNO's car purchases alone came to \$6.3 million over the last decade.

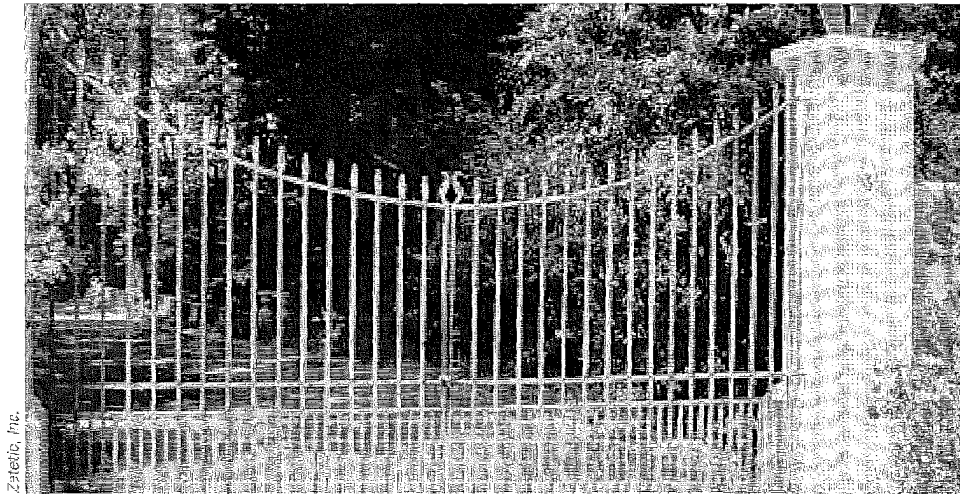
A 200-page French police dossier showed that TNO controlled multiple accounts at blue chip banks such as Barclays, BNP Paribas and HSBC, which he used to buy a Ferrari 550 Maranello and a Ferrari 512M. Other cars he had bought in France included two Maseratis, a Rolls Royce, and several Bugattis worth a million and a half dollars each. A subsequent investigation by Tracfin, the French anti-money laundering service, concluded that the financial flows that facilitated TNO's Bugatti purchases were “likely to be the laundered proceeds of misappropriated public funds.” The case



Cheques paid out of TNO's accounts at Barclays and BNP in Paris, used to pay for a Ferrari



Padlocked gates to one of TNO's houses in South Africa, which is now occupied by squatters



was quickly dropped for what appeared to be political reasons when the Public Prosecutor ruled that the offences were insufficiently substantiated. However, Transparency International France submitted a further complaint. In May 2009 it was ruled by the French authorities to be admissible, but on 29 October 2009 the French courts stopped the case again, this time arguing that a civil society organisation could not bring a case against heads of state.⁵¹

In South Africa, TNO bought two estates in Cape Town in 2004 for \$7 million. The houses "were not fit for the son of the president of one of Africa's most prolific oil-producing countries," reported South Africa's *Sunday Times*, which said TNO spent millions more on renovations and refurbishments, including a home-theatre sound system, plasma-screen televisions, and bathrooms replete with spa baths, chrome fittings and marble surfaces.⁵² The newspaper also quoted an unnamed security guard who had worked for Teodorin as saying that his employer "always had a briefcase filled with cash on hand," and that he spent thousands of dollars on champagne and wining and dining female companions.⁵³

In 2006, the South African firm Engineering Design and Construction Company (EDC) sued the government of Equatorial Guinea for breach of a \$7.8 million contract to build an airport in the country.⁵⁴ After becoming embroiled in a dispute with a government official, EDC's owner, George Ehlers, had to abandon the project and surreptitiously evacuate his staff, which at one point had been jailed. Ehlers was paid for part of his

work, but was forced to leave behind millions of dollars in equipment in Equatorial Guinea. He sued in Cape Town High Court and attached two homes belonging to TNO on the basis that while the homes were registered in Teodorin's name, they were purchased with state money and hence in effect, owned by the Obiang government, with which he had signed the airport deal. Given that Teodorin could not possibly have afforded the houses on his minister's salary, Ehlers said, he must have used funds diverted from the government.

In his defense, TNO offered an explanation which effectively acknowledged that government "service" in his country offered rich rewards: "Cabinet Ministers and public servants in Equatorial Guinea are by law allowed to own companies that, in consortium with a foreign company, can bid for government contracts and should the company be successful, then what percentage of the total cost of the contract the company gets will depend on the terms negotiated between the parties. But, in any event, it means that a cabinet minister ends up with a sizable part of the contract price in his bank account."⁵⁵

Ehlers won a first round judgment and was awarded the homes but an appeals court reversed the decision. It ruled that whatever the source of his money, the properties were registered in TNO's name and hence he, not the government, was the legal owner.⁵⁶ One of TNO's houses has now been stripped bare by squatters, the other has squatters living on the terrace. Both houses appear to have been abandoned.⁵⁷

On September 4, 2007, Stewart C. Robinson, deputy director of the criminal division at the Justice Department's Office of International Affairs, sent to French investigators an urgent "Request for Assistance in the Investigation of Teodoro Nguema OBIANG and his associates."

The Fraud Section and Asset Forfeiture and Money Laundering Section of the Justice Department and ICE were "investigating suspected criminal conduct of Teodoro Nguema OBIANG and his associates," the document said. "The prosecutors suspect that most, if not all, of Teodoro Nguema OBIANG's assets are derived from

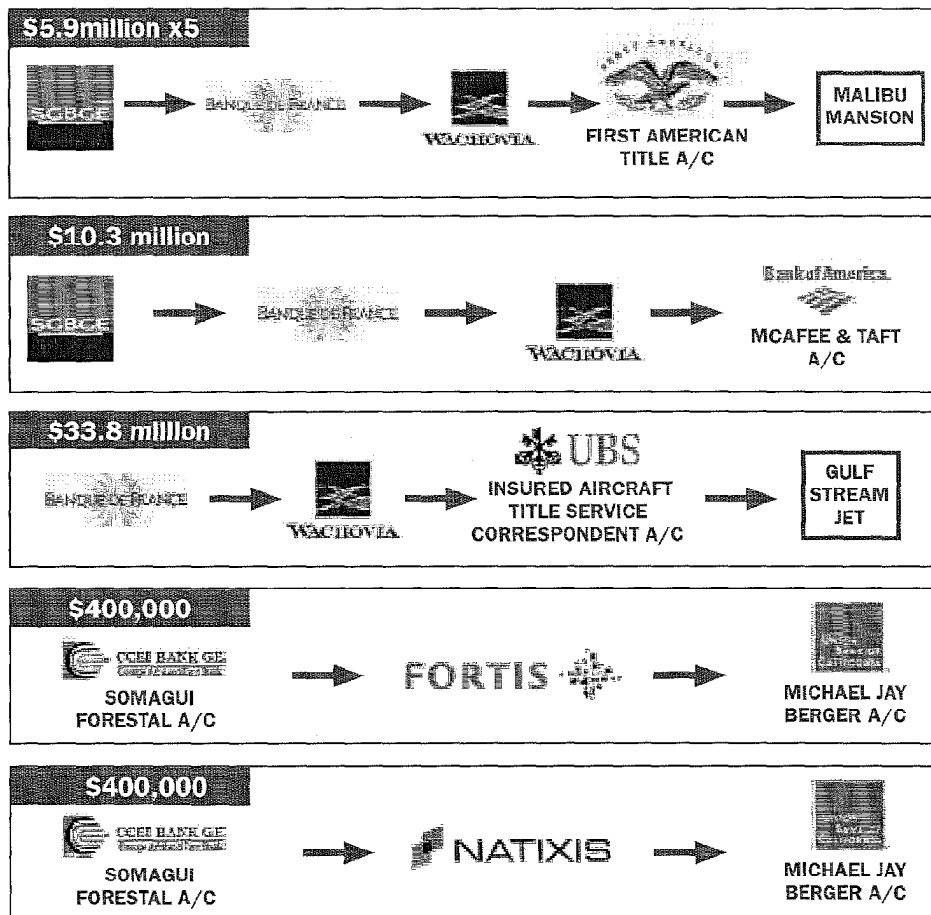
extortion, bribery or the misappropriation of public funds."⁵⁸

The "targets of the investigation" were identified as TNO; Michael Jay Berger, his Los Angeles based "personal attorney [who] serves as an intermediary for funds wired from Equatorial Guinea;" and Somagui Forestal, "a forestry company beneficially owned by [TNO] from which large money transfers to the United States have originated."

The document said that TNO's home in Malibu was purchased in the name of a U.S.-registered shell corporation, Sweetwater Malibu, LLC of which he is the president, and that his jet was purchased by another of TNO's shell corporations, Ebony Shine International, Ltd., which is registered in the British Virgin Islands."

The request for assistance cited as evidence of TNO's corruption "Equatorial Guinea's

TNO's wire transfers to the U.S.



reputation in the international community, the enormous natural resource wealth of the country, and the dominance of the OBIANG MBASOGO family over the government and economy in Equatorial Guinea." It further noted payments from timber companies to his firm, Somagui Forestal, and the South African court testimony in which he admitted that cabinet ministers in Equatorial Guinea get a cut of government contracts. Although TNO "claimed that this practice was legal, the assertion also suggests that he may be receiving bribes or extortion payments in the form of a percentage of contract revenue," Robinson wrote.

But that was not the only evidence cited by Robinson. The U.S. investigation of TNO and his associates had "identified numerous suspicious transactions originating from or transiting the French financial system" and then entering U.S. banks:

- In April 2005, TNO "was the originator on at least five separate wire transfers," each for \$5.9 million "from Société Générale de Banque en Guinée Équatoriale to Banque de France, account # 2000193528235, to a correspondent account at Wachovia Corporation Atlantic to account # 2000055333 at First American Trust FSB in the name of First American Title." Investigators believe he used some of those funds to purchase the mansion in Malibu, which was bought in the name of his U.S. shell company, Sweetwater.
- In April 2006, Teodoro Nguema OBIANG "was the originator on three wire transfers" that moved from an account at Société Générale de Banque in Equatorial Guinea through Banque de France (accounts #2000193528235 and 0000061000012), and then on through a correspondent account at Wachovia Atlantic to the final destination at a Bank of America account in the name of McAfee & Taft, account #071601562059. Those transfers allowed TNO to move \$10.3 million to the United States.⁶⁰
- From May to June 2006, TNO and his associates executed six wire transfers from Banque de France account 0000061000012 to a correspondent

bank Wachovia Atlantic and on to a UBS account in New York, #322998, in the name of Insured Aircraft Title Service Correspondent. Total funds transferred came to \$33.8 million; investigators believe the money was used by TNO to purchase his luxury jet, using his British Virgin Islands shell company, Ebony Shine International Ltd.

Between November 2006 and June 2007, the "suspected money laundering continued ...through the use of an intermediary." That person was identified as TNO's attorney, Michael Jay Berger, who was the recipient of at least four wire transfers totaling about \$800,000. The evidence suggested that the wires originated from an account for Somagui Forestal, TNO's timber company, at CCEI Bank in Equatorial Guinea. Two of the transfers were sent through Fortis Banque and two through Natixis. Those banks in France then sent the money on to Berger's attorney/client trust account #0720-115581 at Union Bank of California.⁶⁰

The investigation had also obtained evidence that TNO owned several real estate properties in Paris and that in 2006 he had transferred money from the United States to France to purchase a Bugatti sports car valued at more than \$1 million. "Based upon the wire transfer information available to the U.S. investigation, if these transfers represent illegal activity in the United States, there is a strong possibility that related conduct may also have violated French criminal law," Robinson wrote.

In support of the request for assistance, U.S. officials sent to the French a PowerPoint presentation prepared by the Special Agent in Charge of the ICE's Miami bureau. It said that TNO's Malibu mansion was "undergoing multi-million dollar renovation," and that he had "numerous luxury vehicles stored at the Peterson Automobile Museum in Los Angeles," including two Rolls Royce Phantoms worth \$350,000 each; two Maybachs worth \$350,000 each; four Ferraris worth \$250,000 each; and one Rolls Royce Park Ward. It identified other American assets of TNO's, including the \$33 million Gulf Stream V (currently undergoing "renovation/

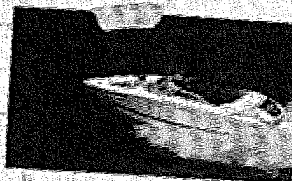
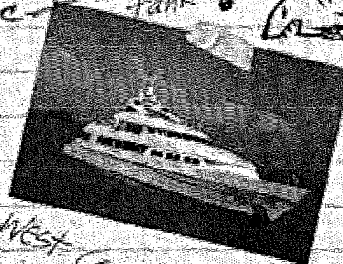
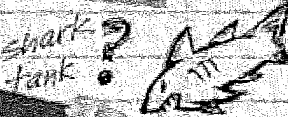
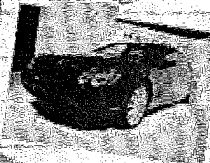
THE SECRET LIFE OF A SHOPAHOLIC | 15

TO BUY

IN US AND FRANCE

- ☒ Gulf Stream Jet \$33,000,000
- ☒ Bugatti Veyron (x3) \$1,300,000
1 for Paris, 1 for California, deposit on 3rd
- ☒ Rolls Royce Phantom (x2)
\$350,000
- ☒ Rolls Royce Park Ward
- ☒ Maybach \$350,000 (x2)
*miniatur
- ☒ Ferrari \$250,000 (x4)
- ☒ Bentley Arnage \$240,000
- ☐ 200 ft yacht \$Tbc
- ☒ speed boat (x2)

need to customize

West Coast
East Coast

Gulfstream: Fick, Takayuki Sato. Bugatti: Fick, Jordan L. Rolls Royce Phantom: Fick, Simon Grah. Rolls Royce Park Ward: Fick, Alvaro Empel. Maybach: Ferrari 550 Maranello. Bentley: Fick. Yacht: Speedboat: Fick, Anna Petersen.

While the U.S. is a global leader on tackling money laundering, its wire transfer regulations contain loopholes



customization”) and two speedboats of unknown value. Investigators also had information from two independent sources that TNO was building a 200-foot custom luxury yacht, complete with shark tank. He had also recently sought to purchase an apartment at the Ritz Carlton in New York for \$20 million in cash (it was unclear if the deal had gone through) and was looking to purchase residential property in Miami.⁶¹

The PowerPoint said further that TNO:

- was a “Recreational drug user (3 to 4 day binges with friends).”
- frequently traveled to the United States as an A-1 diplomat, “although he is seldom on official business.”
- was “suspected of using oil revenues from his country to pay for ‘lavish’ lifestyle.”
- “routinely travels to the United States with over \$1 million in cash and failed to declare,” a criminal violation that can carry up to a 5-year prison term.
- “allegedly received large wire transfers weekly through a ‘fictitious’ corporate account at Union Bank in California.”
- was the “target of multiple Suspicious Activity Reports for suspected money laundering from financial institutions including Bank of America and Wachovia. As a result of his activities, both banks have closed all accounts associated with Obiang and his associates,” the document said.

This information about the role of the banks raises a number of disturbing questions which should be tackled by the U.S. authorities.

Ethical problem

The first problem is the moral one. While laudable that these two banks ultimately cut off TNO, on an ethical level it is stunning that they, and other financial institutions cited in the documents, would have done business with him at all during the period in question. Banks are under no obligation to accept business from any individual. In this case, basic checks would have revealed either that it was not clear who those huge transfers were coming from (that were, in the cases of UBS and First American Trust, being paid into the accounts of companies that handled title to aeroplanes and property), or, if it was, that they were coming from the super-rich son of a brutal dictator whose people live in desperate poverty. SARs may have been filed by some of the banks, but still the transfers were made.

To be completely clear: a U.S. bank, Riggs, had been fined and sold off at a dramatic loss of shareholder value after banking for the Obiangs, and is now used as a case study to scare bank compliance officers about the consequences of getting it wrong; after this happened no U.S. bank (or indeed, French bank) in its right mind should have wanted to have anything to do with Teodorin Obiang. The money laundering alleged in the government documents began three years after initial media accounts detailed Riggs Bank’s relationship with government officials in Equatorial Guinea; two years after the Senate issued its report on the matter and Riggs was fined \$25 million for violating the Bank Secrecy Act in regard to that relationship; and one year after Riggs, in the aftermath of the scandal, collapsed and was sold to PNC.

Regulatory problem #1: suspicious activity reports

On the legal front, the requirement on U.S. banks is to do due diligence to identify their customer and his or her source of funds, and to file a suspicious activity report (SAR) to the authorities if they suspect that money

laundering is taking place. But unlike in the UK, where a bank filing a SAR has to apply for official consent to proceed before continuing with the transaction, (offering the authorities a chance to monitor further transactions and potentially gather evidence) U.S. banks can file the SAR, and get on with the business. It is up to law enforcement to act on the SAR, and to follow the trail after the money has gone. But if the authorities are overworked or asleep and do not follow up the information in the SAR, the bank can effectively do business with a corrupt dictator's son with impunity as long as it continues to file a SAR for each suspect transaction. So, while technically a bank is not allowed to process or accept crooked funds, the money may have long since moved on before the authorities might get around to looking into it. This is the worst of both worlds: a bank can fulfil its legal obligations through the SAR filing process, yet the dirty money still enters the U.S.

Regulatory problem #2: beneficial ownership of corporate accounts

The majority of the U.S. banks involved in these transactions were processing wire transfers, or holding accounts for companies whose services Teodorin was paying for. The question of wire transfers is a particular one, and will be returned to shortly. But as seen above, the documents also allege that Union Bank of California held a 'fictitious'

corporate account through which Teodorin was receiving large weekly transfers. Accounts for privately-held companies represent a heightened money laundering risk for banks, since corrupt or otherwise criminal individuals can hide behind them. So did Union Bank of California identify Teodorin as a beneficiary of payments from this account? Did it identify the beneficial owner of the company that set up the account? Did it identify the source of funds being paid into the account? The bank did not respond to Global Witness' questions.

The international anti money laundering standard, as set by the Financial Action Task Force (FATF), the intergovernmental body that sets the standards and measures countries' compliance with them, is that banks must identify the beneficial owner of any company seeking to open an account as part of the account-opening due diligence. The problem with the U.S. regulation is that this requirement to find a beneficial owner is only made explicit for a specific scenario: non-U.S. persons opening private bank accounts, which is defined as those accounts containing more than a million dollars. The Patriot Act which introduced this requirement in 2001 was right to recognise these accounts as a money laundering risk, but the Act and its subsequent rulemaking have failed to make it explicit that banks in the U.S. must find the beneficial owner of *all* corporate vehicles as a condition of them opening an account (except where it is a company that is publicly listed on a stock exchange). This is a significant oversight that must be corrected.



The lessons of Riggs do not seem to have been learnt: as late as June 2007 U.S. banks were still allowing TNO to transfer funds to the U.S.

Wachovia was one of the banks in the U.S. that processed multi-million dollar wire transfers for TNO



Regulatory problem #3: due diligence on wire transfers

The other vital issue is what due diligence banks can do to identify the originators of wire transfers. FATF has a Special Recommendation on wire transfers, introduced in October 2001 when the standards were tightened up in the wake of 9/11 and the realization of the ease with which terrorists had been able to move money into the U.S. This international standard says that countries should require their banks 'to include accurate and meaningful originator information (name, address and account number) on funds transfers and related messages that are sent, and the information should remain with the transfer or related message through the payment chain.' Banks should also be required to 'conduct enhanced scrutiny of and monitor for suspicious activity funds transfers which do not contain complete originator information.'⁶³ However, if a transfer arrives without originator information, a bank can still pass it on.

The U.S., which was the final destination for Teodorin's wire transfers, is largely compliant with this standard. Its 'travel rule' says that banks have to pass on originator information that arrives with a transfer; if no information comes with it they can pass it on regardless. While they must file SARS if they suspect

suspicious activity or do not know where a large transfer is coming from, they are not prevented from accepting or forwarding the transfer.⁶³ Teodorin's transfers were coming from outside of the U.S., so did they arrive with any originator information?

France was the next step back along the wire transfer chain: here, Banque de France, Natixis and Fortis forwarded transfers which arrived from Equatorial Guinea on to the U.S. A 2005 IMF evaluation of the French anti-money laundering laws said there were 'currently no legislative requirements for financial entities to include complete originator information in message or payment forms accompanying wire transfers.' Instead it was required only by guidance rules issued by industry bodies.⁶⁴ In January 2007 a new European Union Resolution came into force with an implementation deadline at the end of that year, requiring all wire transfers to include originator information; crucially, if the payee's bank becomes aware that the payer's information is missing or incomplete, it must reject the transfer or ask for complete information.⁶⁵

This new European standard is stronger than FATF's or the U.S.'s, since a bank is not supposed to forward a transfer that doesn't have originator information. But it wasn't mandatory in France until nearly all of Teodorin's transfers, which ran from April 2005 to June 2007, had already taken place. For most of this period, French banks would effectively have been permitted to forward wire transfers that arrived without originator information.

Teodorin's wire transfers originated in Equatorial Guinea, where it is not clear exactly what the law is pertaining to information included on wire transfers. It is safe to assume that even if this is a requirement on paper, implementation and enforcement are not a priority. Perhaps also of relevance is the fact that Société Générale de Banques en Guinée Ecuatoriale, out of which the transfers were made through Wachovia to First American Trust, Bank of America and UBS, is 7% owned by "Obiang Nguema", who is presumably the President, but could also be TNO, and 32% by the government; and CCEI Bank (Guinea Ecuatoriale), out of which the Somagui transfers were made through Fortis and Natixis to Union Bank of California, is 10% owned by Abayak SA, a company named in

the Senate Riggs report as being controlled by the president, and 10% owned by the government.⁶⁶

What this means is that from the perspective of the banks in the U.S.: Wachovia, Bank of America, UBS, First American Trust and Union Bank of California, there are two possibilities.

One is that if the wire transfers came with originator information identifying Teodorin and/or his company Somagui Forestal, (which was publicly named as owned by TNO in the Senate report into Riggs), the banks went ahead and processed the transactions anyway, despite knowing who they were dealing with. According to the documents, Wachovia and Bank of America filed SARS and ultimately closed all accounts associated with Obiang and his associates. The documents did not mention if the other banks did so (if they didn't, this would be very concerning, suggesting that either they knew there was a problem and did nothing, or failed to spot the problem).

The other possibility is that the wire transfers arrived without originator information, in which case U.S. banks are accepting funds without knowing where they come from. The filing of SARs in such a case, as required by the FATF standard and the U.S. regulations, does not prevent the money being transferred into the U.S.

Neither of these possibilities is a pleasing prospect. Either way, the result is that the lessons of Riggs have not yet been learnt: banks in the U.S. have funneled millions of dollars of money through shell corporations for TNO, allowing him to purchase a luxury home and private jet while the people of Equatorial Guinea continue to live in poverty.

Global Witness has contacted all of the banks mentioned in the documents, in the U.S., France and Equatorial Guinea, to ask them what due diligence, if any, they did on these transfers and whether they knew that the originator was Teodorin Obiang. Fortis, Banque de France, Wachovia and UBS have replied.

Fortis said that bank secrecy prevented it commenting on specific clients, and that it complies with regulations on money laundering and terrorist financing. Bank

of America said it could not comment, and complies with the 'the letter and the spirit' of regulations in countries where it operates.⁶⁷ Banque de France said it could not comment, and listed the French laws and regulations on money laundering. On wire transfers it said it required that its correspondent banks comply with FATF anti-money laundering standards.⁶⁸ A representative of Wachovia stated that TNO did not hold an account with Wachovia. However, she said that it would be possible to transfer money semi-anonymously, through Wachovia's correspondent bank accounts by for example using a third-party bank as middleman.⁶⁹

UBS said it could not comment on this specific case, but explained its policies for due diligence on correspondent banks and monitoring of wire transfers. Its 'pre-execution monitoring' screens names of 'terrorists, drug kingpins, weapons of mass destruction proliferators' and can freeze and reject payments if necessary; however politically exposed persons on not on these lists, unless 'designated' by one or more jurisdictions, as this would create too many false positives. 'Post-execution monitoring', it said, takes place after transfers have moved, identifying 'red flags' such as unusually large payments, round amounts and suddenly active amounts, and then manually reviewing such transactions to determine if a SAR needs to be filed. 'In a case such as the one to which you refer, UBS would expect its post-execution monitoring tools to flag large transactions with a client if these were unusual,' it said.⁷⁰

Banks are not allowed by regulation to comment on whether they have filed a suspicious activity report. Union Bank of America, First American Trust FSB, Natixis, and the banks in Equatorial Guinea did not comment.

A representative of the law firm McAfee and Taft, which according to the documents received payments of \$10.3 million into an escrow account, denied that Teodorin was a customer of the firm and said the firm did not have direct knowledge of the transactions, which must have been on behalf of another client.⁷¹

Michael Jay Berger, TNO's lawyer, who according to the documents had received \$800,000 in wire transfers, failed to respond to multiple requests for comment.

Barring a coup d'état, it is likely that President Obiang, age 67, will rule until his death and then hand off power to a chosen successor.

Teodorin is widely considered to be the leading candidate to inherit power. "The guy knows how to play politics," says Bennett, the former American ambassador. "He's seen as the junior Big Man."⁷²

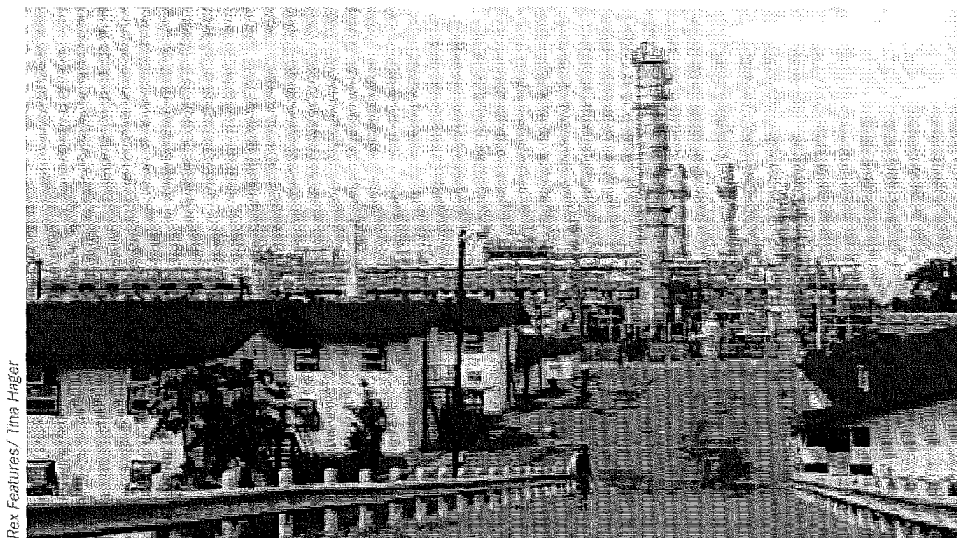
These documents show that the Justice Department and ICE were collecting evidence to prosecute Teodorin for money laundering, and seek forfeiture of his assets in the U.S.. According to documents seen by Global Witness, a U.S. delegation met French investigators in September 2007, a meeting at which this evidence was discussed. The outcome was that the U.S. would submit to the French authorities a 'commission rogatoire internationale', or a formal request for cross-border legal assistance. Could the lack of legal action against TNO stem from political pressure to ignore the crimes of a possible future president of an oil-friendly ally? Or are there insurmountable legal obstacles to prosecuting TNO, who has diplomatic status from his government? It is impossible to say with certainty, and neither the Justice Department, State Department, nor ICE would comment for this article.

After being informed of the contents of the government documents, Lawrence Barcella, a former federal prosecutor, offered this comment:

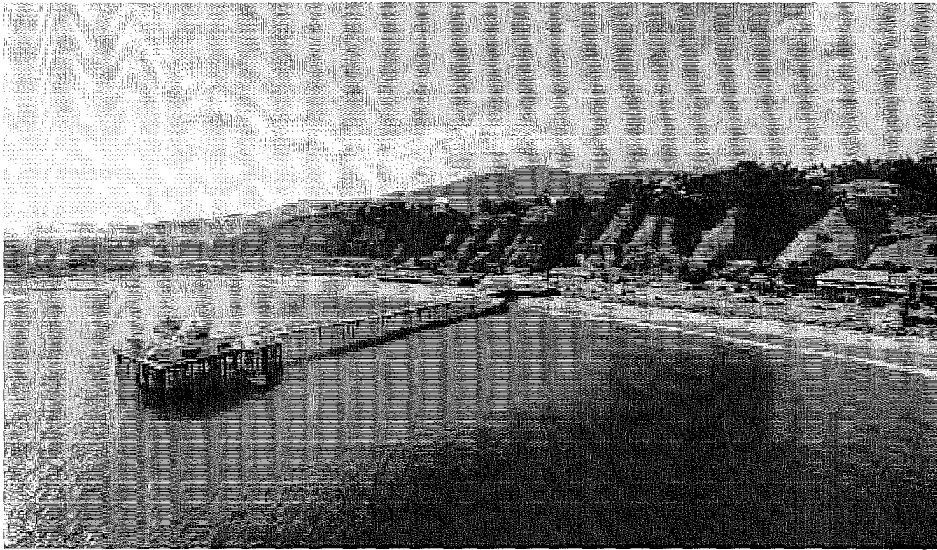
"To build a case like this you have to prove that his money comes from the proceeds of corruption. That would generally require the cooperation of the foreign government in order to gather sufficient evidence, and in this case Equatorial Guinea is obviously not going to cooperate. It looks like they [prosecutors] have grounds for probable cause, which would be enough to get a warrant and an indictment, but they have to get over the hump of probable cause to beyond a reasonable doubt and that's a lot tougher. Justice Department guidelines say you should not seek an indictment unless you believe you can meet the reasonable doubt standard."⁷³

However, Barcella said that even if Justice could not prosecute TNO, the State Department could bar him from entering the country. "Traveling into the United States is not a right, it's a gift. He could very easily be declared PNG and denied entry. For years, John Lennon couldn't enter the United States because he smoked marijuana. You can deny a visa for any reason." He said it would be more difficult, but not impossible, to seize TNO's assets. "That's where his diplomatic passport comes in handy," he said. "That doesn't grant him total immunity, but it makes it damn harder, and it would cause a big blow-up."

An oil refinery in Equatorial Guinea. Is the U.S.'s failure to take action against TNO motivated by oil?



Rex Features/Ima Hager



Malibu, where TNO has a house. The U.S. government needs to use its powers to deny visas to politicians where there is credible evidence they are involved in corruption

Jack Blum shared much of Barcella's assessment. "Would I like to see him prosecuted," he asked. "Of course. But gathering the evidentiary material to prove the illegal origins of [TNO's] money would not be easy and [bringing a case] would turn the U.S. relationship with Equatorial Guinea on its head, and that's of some interest given all the oil." He agreed that barring TNO from the country would be a simple matter, adding, "That is a sensible step that would have real impact, as it would put off limits to him of all his assets in the United States."

Blum believed the failure to take action against Obiang could be politically motivated. He noted that several other Justice Department cases involving oil kleptocracies – including the so-called "Kazakhgate" scandal, in which the president of Kazakhstan allegedly received tens of millions of dollars in payoffs from an American businessman representing U.S. oil companies – have been mysteriously bogged down for years. "It's quite possible that there is high-level political interference" he said. "As U.S. citizens, we have the right to know what's going on here. If they are going to drop the cases, they need to lay out the facts and explain why."

"The U.S. Presidential Proclamation 7750... [has] a 'reason to believe' standard, meaning that the proclamation can be applied absent conviction for a crime of corruption," Kathleen Hamman, now a trial attorney in the Justice Department's

fraud section, explained in a speech about the Kleptocracy Initiative in 2005.⁷⁴ When it called for corrupt foreign officials to be barred from the country, Congress set a threshold of "credible evidence" for the State Department to make that determination.

There is every reason to believe that TNO has been massively enriched by corruption and a vast amount of credible evidence that supports that conclusion. One can argue about the legal and political issues involved in prosecuting him or seizing his assets. There is no doubt at all, though, that he is ineligible to enter the United States under 7750. If the Kleptocracy Initiative has any meaning at all, he should be banned now.

Global Witness sought an interview with Teodorin Obiang to offer him an opportunity to respond to these allegations. Approaches were made through the Equatorial Guinea embassy in the U.S., and through the country's Washington PR firm, Qorvis. An embassy spokesperson offered only the following statement: "We have not been contacted by any Government Agencies and are not aware of any ongoing investigation into the Government of Equatorial Guinea or any of its representatives."⁷⁵

A Justice Department spokesperson said it could not confirm or deny the existence of any investigation; the State Department and ICE said they could not comment.⁷⁶

**POLICY
RECOMMENDATIONS**
**As well as a clear public
 explanation as to why the
 case has stalled and what
 can be done about it, the
 U.S. government also needs
 to develop a comprehensive
 policy approach to implement
 meaningfully the 2006 anti-
 Kleptocracy Initiative, the
 aspirations and intent of which
 Global Witness fully supports.**

Since it passed the landmark Foreign Corrupt Practices Act in 1975, the U.S. has generally taken a far more effective and robust approach to tackling foreign corruption and bribery than many of its peers (indeed, Global Witness would argue that it remains the only credible global enforcer of anti-corruption norms). Nonetheless, this story shows that dangerous 'holes in the fence' remain and that well-intentioned efforts to tackle the flows of corrupt money into the U.S. often

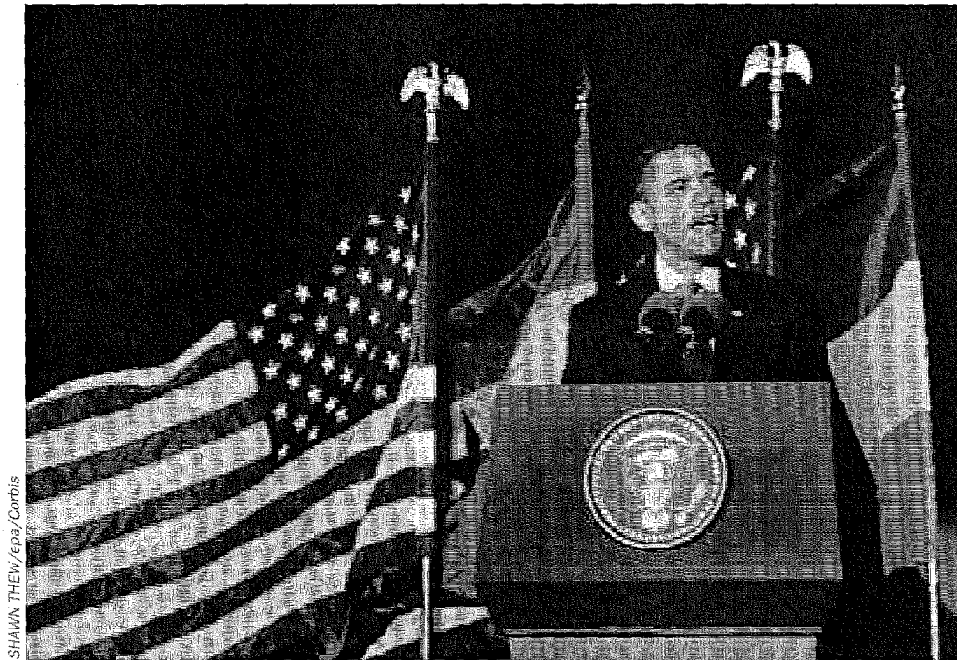
fail because it is difficult to gather evidence against venial ruling elites when they are able to use the sovereignty of their captured and corrupted state as a shield.

The recommendations below cover some of the immediately practical policy approaches that could be taken to further the anti-Kleptocracy Initiative and as part of a wider strategy to tackle the U.S.'s facilitation of foreign corruption which leaves so many millions of ordinary citizens around the world in destitution and under brutal and oppressive governments.

1) Visa denial

A U.S. visa is a highly prized possession in many countries around the world; its denial is an effective discretionary sanction. Unlike a prosecution, it can be imposed immediately and does not require proof of guilt. Visa denial is particularly effective as it can also target the family members of a corrupt official. Language in the 2008 and 2009 Consolidated Appropriations Acts requires that "the Secretary of State shall compile and maintain a list of officials of foreign governments and their immediate family members who the Secretary has credible evidence have been involved in corruption relating to the extraction of

President Obama in Ghana, June 2009: "No country is going to create wealth if its leaders exploit the economy to enrich themselves"



natural resources in their countries" and that "any individual on the list compiled under subsection (a) shall be ineligible for admission to the United States".⁷⁷ Teodoro Obiang Nguema is clearly such an individual, so why is he still allowed to travel to and through the U.S.?

There is a clause in the Appropriations Acts suggesting that somebody might be allowed into the U.S. despite evidence against them so that law enforcement can continue to gather information. But clearly in this case the action has stalled, so logic would dictate that he ought to be denied a visa from now on.

2) Make banks do their customer due diligence properly

Global Witness' report *Undue Diligence: How banks do business with corrupt regimes*, published earlier this year, highlighted numerous examples of banks doing business with some of the most corrupt dictators and their kin in the world. The banks either did not know who their customer was, or they knew and they did not care, or they told their regulators and their regulators did not care. This story now raises similar concerns.

The regulators must examine the steps taken by the banks that feature in this report and ascertain if they fulfilled their regulatory requirements, and punish them if they did not. The question of whether banks are taking sufficient steps, from an ethical perspective, to avoid facilitating corruption must also be examined.

As described above, it may be possible for a bank to be in compliance with the letter of the law while still able to do business with a corrupt customer. While the U.S. must be acknowledged as having led the global move towards improved anti-money laundering laws, there are some crucial gaps in its own regulatory framework that must be addressed as a matter of urgency. The ongoing regulatory reform process in Congress offers an opportunity to do so.

- The U.S. must make it explicit, either through primary legislation or rulemaking, that as part of their customer due diligence, banks must



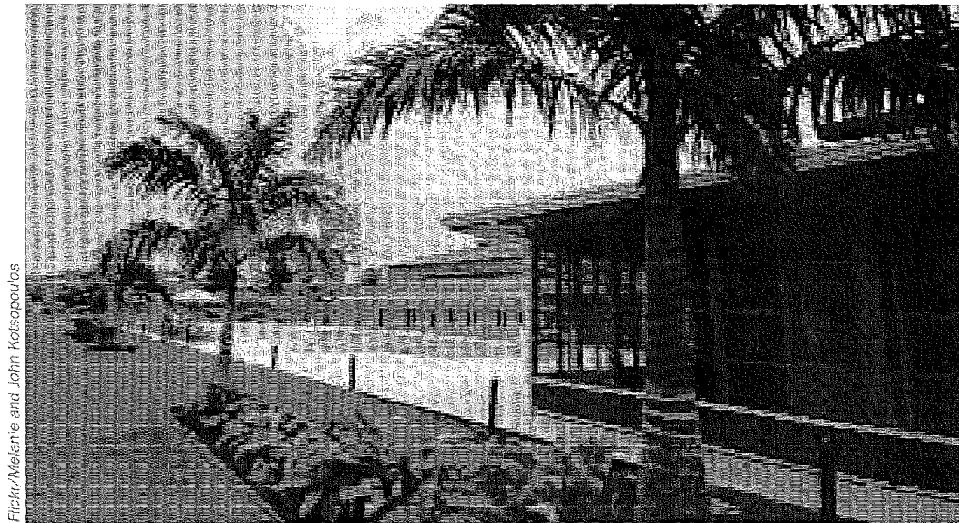
Rep. Barney Frank's (D-Mass) House Committee on Financial Services is currently working on reforms to financial regulation

Dennis Van Ipe/Kena Inc./Corbis

find the beneficial owner of all corporate vehicles as a condition of them opening an account. This will help to bring the U.S. into compliance with FATF's Recommendation 5, which by requiring banks to know who they are dealing with is the cornerstone of any anti-money laundering framework.

- The U.S. must change its regulations on wire transfers to match the European standard so that if there is no or incomplete originator information, the bank must either obtain it from the paying bank, or not accept the transfer. This must apply to transfers coming from within or without the U.S.. The U.S. should also push for this standard to be adopted by FATF as the required level for compliance with Special Recommendation VII.
- The U.S. must strengthen its anti-money laundering regulations to require banks only to accept funds from senior political figures, their family members and known associates,⁷⁸ if the bank has strong evidence that the source of funds is not corrupt. As well as implementing this measure itself, the U.S. should push for this recommendation to be adopted by FATF so that it becomes an international standard.⁷⁹
- The U.S. should follow the model adopted by the UK, where after filing

An oil company compound in Equatorial Guinea. Oil companies need to publish what they pay to governments



a SAR banks are required to wait for consent to proceed from the authorities, within a given time span, before continuing the transaction.

- Company formation agents can facilitate corruption by setting up shell companies used by corrupt politicians or other money launderers. Currently they are not regulated for money laundering purposes in the U.S., which means they do not have to undertake due diligence on their clients or file suspicious activity reports; this represents a significant weakness in America's fight against dirty money. Therefore, the U.S. must apply anti-money laundering obligations to company formation agents.
- The U.S. should use its influence within the Financial Action Task Force to ensure that FATF fulfils the recent G20 requirement to 'help detect and deter the proceeds of corruption by prioritizing work to, strengthen standards on customer due diligence, beneficial ownership and transparency.'⁸⁰

3) More transparency over the beneficial ownership of corporate vehicles

Teodorin Obiang was able to buy his property in the name of a U.S.-registered

shell company, Sweetwater Management Inc. and his jet in the name of another, Ebony Shine International, incorporated in the British Virgin Islands.

Lack of transparency over the ownership of corporate vehicles such as these, behind which the corrupt, or indeed U.S. tax evaders, can hide, is a significant impediment to the working of the anti-money laundering laws and the tracking down of illicit funds by law enforcement after they have been moved.

The U.S. Congress should pass without delay the provisions of Senator Levin's proposed S.569 Incorporation Transparency and Law Enforcement Assistance Act Bill, which would require incorporators of companies in the U.S. to provide beneficial ownership details to their state.

Internationally, the U.S. should use its influence in FATF to push for a standard of national registries to be adopted internationally as a mandatory criterion for compliance with FATF's recommendations 33 and 34. (These recommendations require countries to prevent misuse of corporate vehicles or legal arrangements such as trusts for money laundering purposes, and suggest that they do so by making beneficial ownership information available; the problem is that they allow compliance at a standard of relying on law enforcement to access the information: this standard is too low.)

4) Help prevent the money from being stolen in the first place by requiring more transparency over oil income

Equatorial Guinea's money comes from oil, mostly from revenues paid by U.S. oil companies.

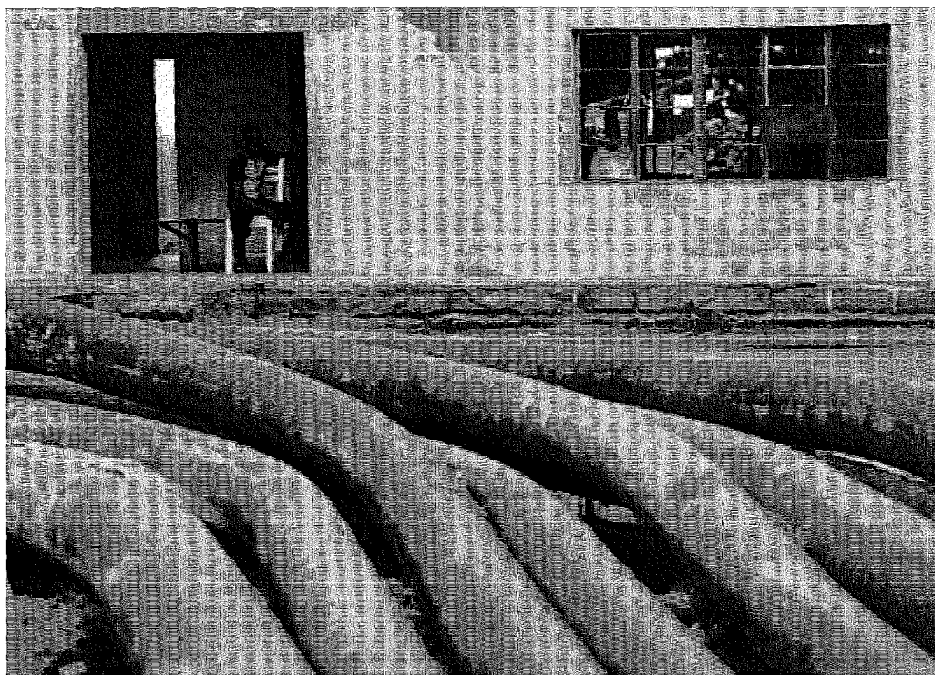
Its income remains a state secret. In 2008, the Equatorial Guinean government signed up to the Extractive Industries Transparency Initiative⁸¹ to improve disclosure of its oil income and allow the country's ordinary citizens to track that money into the national exchequer, but progress has been moribund and no figures have been released. Oil companies meanwhile claim they support transparency but that they cannot publish any financial information without permission or they will violate the swingeing confidentiality clauses in the production contracts that they signed with the Equatorial Guinea government.

Fortunately, there is a get-out of these confidentiality provisions for information required by an applicable accounting law or stock exchange rule. Recent legislation in front of the Congress is intended to do just

that and could put the amount of oil money provided to the EG government into the public domain for the first time and thereby help prevent its gross diversion and theft into private pockets.

In May 2008, Chairman Barney Frank of the House Committee on Financial Services introduced the Extractive Industries Transparency Disclosure (EITD) Act, which requires companies to report their country-by-country payments for oil, gas and minerals to the U.S. Securities and Exchange Commission.⁸² In September 2009, the renamed "Energy Security through Transparency Act of 2009" was introduced by a bipartisan coalition of Senators Lugar, Cardin, Schumer, Wicker and Feingold.⁸³ The bill would require energy and mining companies to reveal how much they pay to foreign countries and also to the U.S. government for oil, gas, and other minerals. The international Publish What You Pay coalition of over 400 civil society organisations in over 70 countries, of which Global Witness is a founding member, is cheerleading for this legislation as are some major U.S. investors (such as Calvert) and at least one major multinational company (Newmont Mining).

The U.S. Congress should ensure that this bill is passed as soon as possible.



Citizens would see the benefits from oil if the Energy Security Through Transparency Act was passed

Ed Kashi/Corbis

ENDNOTES

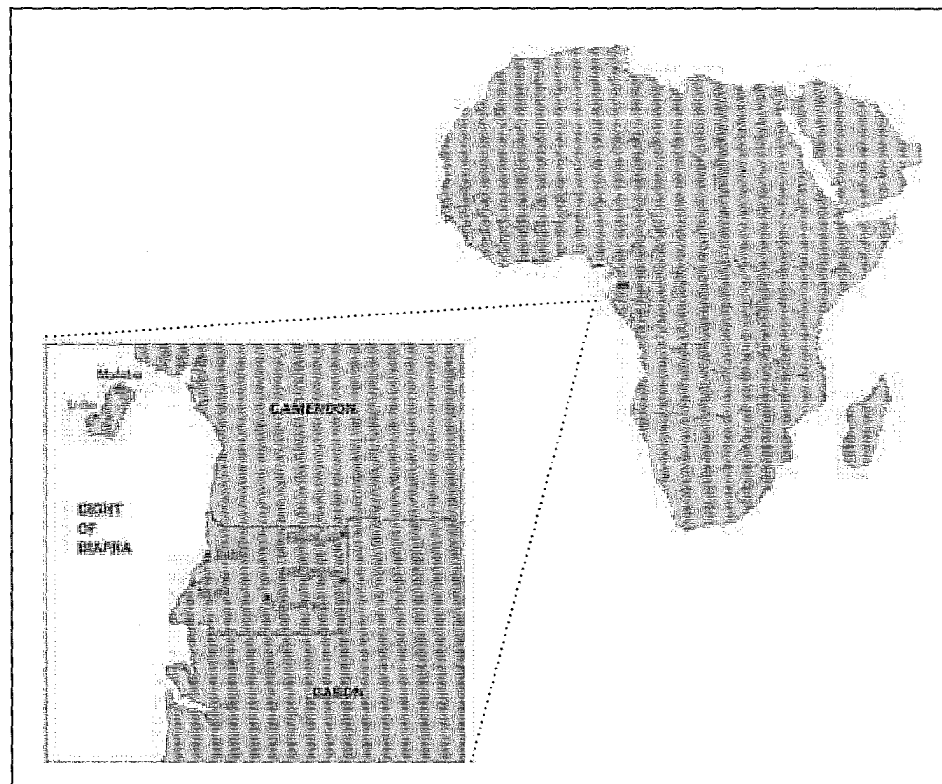
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38. Phone interview with John Bennett, 26 August 2009.
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40. Personal interview with a former senior U.S. official, 5 June 2009.
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|----|--|----|--|
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MAP OF EQUATORIAL GUINEA





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Global Witness exposes and breaks the links between the exploitation of natural resources and the funding of conflict, corruption and human rights abuses. Global Witness carries out investigations in countries devastated by conflict, corruption and poverty and our findings from these investigations are used to brief governments, intergovernmental organisations, civil society and the media.

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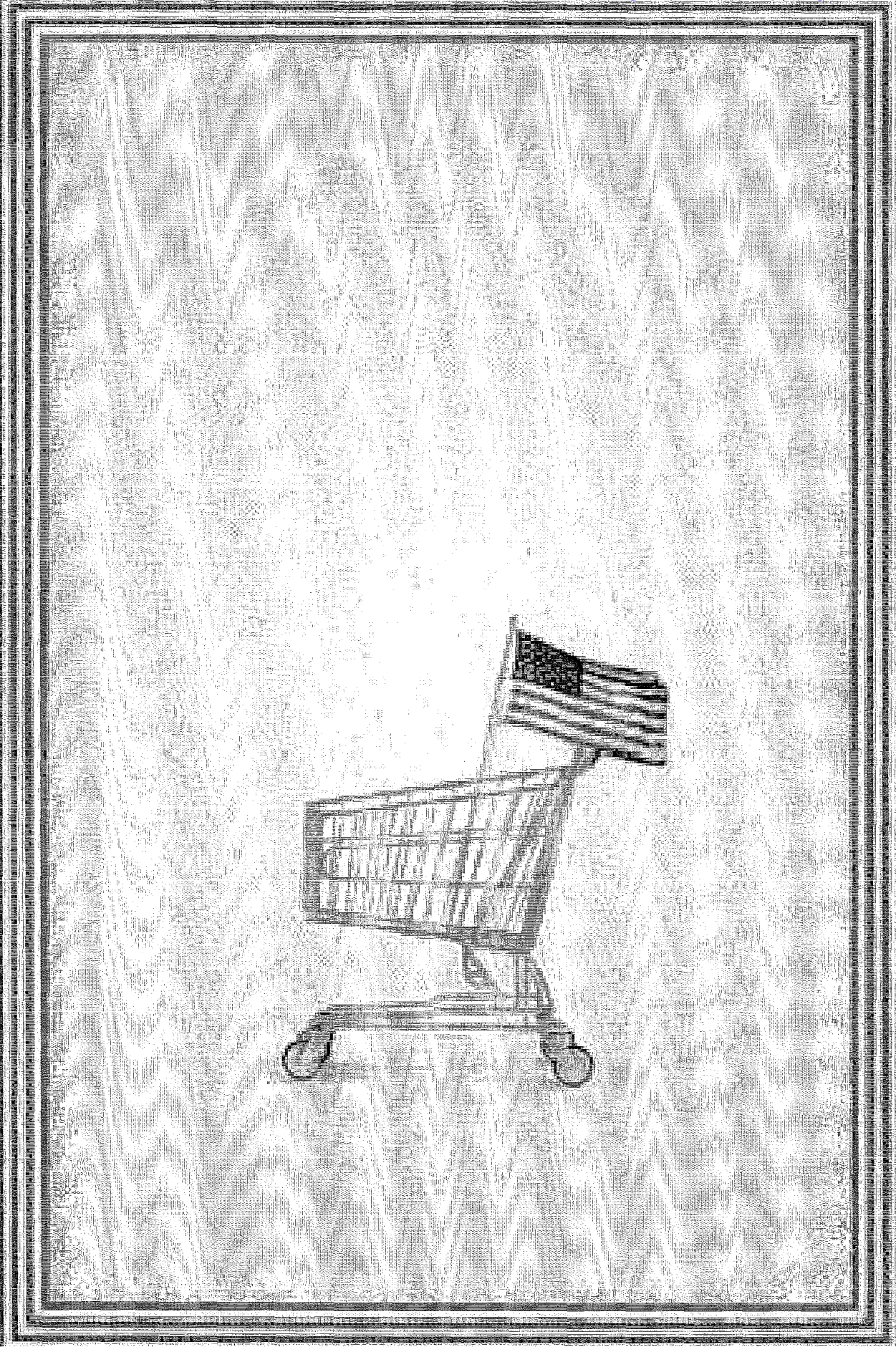


EXHIBIT 6



1 of 1 DOCUMENT

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HEADLINE: A Congressional Conflict of Interest

BYLINE: By DANIEL INDIVIGLIO and JEFFREY GOLDFARB

BODY:

Imagine buying stock in a company and then being in position to help change the law to enhance its value. Welcome to the United States Congress. A fuel subsidy proposal, if passed, would enrich Representative Nancy Pelosi of California because of her stake in a "green" firm that stands to benefit. It's the latest sign that Congressional trading rules are in desperate need of an overhaul.

Among the flurry of legislation Congress is rushing to complete by year's end is the New Alternative Transportation to Give Americans Solutions Act of 2011, or Natgas Act. The proposal would, among other things, provide subsidies for driving vehicles powered by natural gas.

Clean Energy Fuels is one company that needs the government's helping hand. It operates natural gas fueling stations for trucks. Clean Energy even said in its most recent quarterly earnings report that the success of its business plan depended in part on federal tax credits on natural gas. When a Senate version of the bill was introduced last month, Clean Energy shares jumped 15 percent.

The oil tycoon T. Boone Pickens owns a big stake in the company and has been on a campaign advocating for the legislation. Mr. Pickens is oddly aligned with Ms. Pelosi, though her stake is smaller. Her asset disclosure indicates she owns as much as \$100,000 of Clean Energy stock. Earlier this year, she listed the Natgas Act as one of the priorities for her "Make It in America" agenda.

By no means would Ms. Pelosi be the first lawmaker on either side of the aisle to gain financially from her legislative post. The sticky problem of Congressional stock trading and ownership has been getting more attention on the back of studies showing that stock portfolios modeled on the trading of legislators regularly beat the market.

But the problem goes even deeper, as evidenced by the bill. Ms. Pelosi wouldn't be guilty of insider trading. Her influence as a lawmaker would merely help her profit. Getting rid of such undue perks is the kind of agenda item that

A Congressional Conflict of Interest The New York Times December 16, 2011 Friday

ought to unite far-reaching constituencies, including members of the Tea Party and those who are part of Occupy Wall Street.

Procter's Sloppy Work

Procter & Gamble doesn't appear to have adequately worked through the details on the company that is buying its Pringles brand. Troubles escalated for Diamond Foods, the agreed-upon buyer, on Thursday as the Securities and Exchange Commission began an investigation into its accounting on the heels of the snack food company's own internal inquiry.

Everything looked fine back in April when the \$2.4 billion transaction was announced. Diamond shares soared as the company appeared to fulfill ambitions to grow from a walnut co-operative to a global player in salty treats. For Procter & Gamble, a craftily structured deal allowed it to finally leave the food business.

Things began crumbling in September amid growing questions, from Breakingviews and others, about the accounting treatment of payments to growers now under the microscope, and other oddities involving the company's finances and disclosures. Investors bet against Diamond shares. In November, the deal was put off.

It's hard to blame Procter and its advisers -- Morgan Stanley and Blackstone -- for not seeing six months in advance that Diamond Foods would make payments to walnut suppliers that raised concerns. And Diamond also may ultimately be vindicated of any wrongdoing. But accounting sloppiness is often a symptom of larger governance and control problems. In any event, Procter's responsibility to its shareholders, who will own stock in the newly merged Diamond-Pringles, didn't end in April.

Procter & Gamble, a \$180 billion consumer products group, had less incentive than, say, short sellers, to invest extra time and money into a forensic scrubbing of Diamond after the deal was signed. Moreover, gathering nonpublic information about Diamond could have created a messy conflict with any related confidentiality agreements it signed.

This leaves an impression that Procter's concern with tax efficiency outweighed a desire to more thoroughly understand Diamond. The complex structure being used to unload Pringles erases Procter's tax obligation, which is nice for shareholders. And Procter is a master of the format, having used it twice before. The Diamond deal offers a simple merger lesson for corporations everywhere: better know thy partner.

For more independent financial commentary and analysis, visit www.breakingviews.com.

URL: <http://www.nytimes.com>

GRAPHIC: PHOTO: Nancy Pelosi owns shares in a firm that could benefit from a House bill. (PHOTOGRAPH BY JIM LO SCALZO/EUROPEAN PRESSPHOTO AGENCY)

LOAD-DATE: December 16, 2011

EXHIBIT 7



CALIFORNIA RESIDENTIAL PURCHASE AGREEMENT AND JOINT ESCROW INSTRUCTIONS

For Use With Single Family Residential Property — Attached or Detached
(C.A.R. Form RPA-CA, Revised 10/02)



CALIFORNIA
ASSOCIATION
OF REALTORS®

Date 9/18/05 at Los Angeles California.

1. OFFER:

A. THIS IS AN OFFER FROM Teodoro Niquema Obiang ("Buyer")

B. THE REAL PROPERTY TO BE ACQUIRED is described as 3620 Sweetwater Mesa Rd

Malibu Assessor's Parcel No. _____ situated in _____

C. THE PURCHASE PRICE offered is Twenty eight million four hundred thousand and 00/100 Dollars \$ 28,400,000 County of Los Angeles California, ("Property")

D. CLOSE OF ESCROW shall occur on _____ (date) or 45 Days After Acceptance.

2. FINANCE TERMS: Obtaining the loans below is a contingency of this Agreement unless: (i) either 2K or 2L is checked below; or (ii) otherwise agreed in writing. Buyer shall act diligently and in good faith to obtain the designated loans. Obtaining deposit, down payment and closing costs is not a contingency. Buyer represents that funds will be good when deposited with Escrow Holder.

A. INITIAL DEPOSIT: Buyer has given a deposit in the amount of \$ 855,000 to the agent submitting the offer (or to _____), by personal check

(or ☐ _____), made payable to _____ which shall be held uncashed until Acceptance and then deposited within 3 business days after Acceptance (or ☐ _____), with Escrow Holder, (or ☐ into Broker's trust account).

B. INCREASED DEPOSIT: Buyer shall deposit with Escrow Holder an increased deposit in the amount of \$ _____ within _____ Days After Acceptance, or ☐ _____.

C. FIRST LOAN IN THE AMOUNT OF \$ _____

(1) NEW First Deed of Trust in favor of lender, encumbering the Property, securing a note payable at maximum interest of _____ % fixed rate, or _____ % initial adjustable rate with a maximum interest rate of _____ %, balance due in _____ years, amortized over _____ years. Buyer shall pay loan fees/points not to exceed _____. (These terms apply whether the designated loan is conventional, FHA or VA.)

(2) ☐ FHA ☐ VA: (The following terms only apply to the FHA or VA loan that is checked.) Seller shall pay _____ % discount points. Seller shall pay other fees not allowed to be paid by Buyer, ☐ not to exceed \$ _____. Seller shall pay the cost of lender required Repairs (including those for wood destroying pest) not otherwise provided for in this Agreement, ☐ not to exceed \$ _____. (Actual loan amount may increase if mortgage insurance premiums, funding fees or closing costs are financed.)

D. ADDITIONAL FINANCING TERMS: ☐ Seller financing, (C.A.R. Form SFA); ☐ secondary financing, (C.A.R. Form PAA, paragraph 4A); ☐ assumed financing (C.A.R. Form PAA, paragraph 4B) \$ _____

E. BALANCE OF PURCHASE PRICE (not including costs of obtaining loans and other closing costs) in the amount of \$ 27,445,000 to be deposited with Escrow Holder within sufficient time to close escrow.

F. PURCHASE PRICE (TOTAL): \$ 28,500,000

G. LOAN APPLICATIONS: Within 7 (or ☐ _____) Days After Acceptance, Buyer shall provide Seller a letter from lender or mortgage loan broker stating that, based on a review of Buyer's written application and credit report, Buyer is prequalified or preapproved for the NEW loan specified in 2C above.

H. VERIFICATION OF DOWN PAYMENT AND CLOSING COSTS: Buyer (or Buyer's lender or loan broker pursuant to 2G) shall, within 7 (or ☐ _____) Days After Acceptance, provide Seller written verification of Buyer's down payment and closing costs.

I. LOAN CONTINGENCY REMOVAL: (i) Within 17 (or ☐ _____) Days After Acceptance, Buyer shall, as specified in paragraph 14, remove the loan contingency or cancel this Agreement; OR (ii) (if checked) ☐ the loan contingency shall remain in effect until the designated loans are funded.

J. APPRAISAL CONTINGENCY AND REMOVAL: This Agreement is (OR, if checked, ☐ is NOT) contingent upon the Property appraising at no less than the specified purchase price. If there is a loan contingency, at the time the loan contingency is removed (or, if checked, ☐ within 17 (or _____) Days After Acceptance), Buyer shall, as specified in paragraph 14B(3), remove the appraisal contingency or cancel this Agreement. If there is no loan contingency, Buyer shall, as specified in paragraph 14B(3), remove the appraisal contingency within 17 (or _____) Days After Acceptance.

K. ☒ NO LOAN CONTINGENCY (If checked): Obtaining any loan in paragraphs 2C, 2D or elsewhere in this Agreement is NOT a contingency of this Agreement. If Buyer does not obtain the loan and as a result Buyer does not purchase the Property, Seller may be entitled to Buyer's deposit or other legal remedies.

L. ☐ ALL CASH OFFER (If checked): No loan is needed to purchase the Property. Buyer shall, within 7 (or ☐ _____) Days After Acceptance, provide Seller written verification of sufficient funds to close this transaction.

3. CLOSING AND OCCUPANCY:

A. Buyer intends (or ☐ does not intend) to occupy the Property as Buyer's primary residence.

B. Seller-occupied or vacant property: Occupancy shall be delivered to Buyer at noon AM/PM, ☒ on the date of Close Of Escrow; ☐ on _____, or ☐ no later than _____ Days After Close Of Escrow. (C.A.R. Form PAA, paragraph 2.) If transfer of title and occupancy do not occur at the same time, Buyer and Seller are advised to: (i) enter into a written occupancy agreement; and (ii) consult with their insurance and legal advisors.

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RPA-CA REVISED 10/02 (PAGE 1 OF 8) Print Date BDC Nov 04

Buyer's Initials TNO _____

Seller's Initials _____

Reviewed by _____ Date _____



BUYER'S COPY

CALIFORNIA RESIDENTIAL PURCHASE AGREEMENT (RPA-CA PAGE 1 OF 8)

Confidential Treatment Requested

SEN009692

Property Address: 220 SweetwaterDate: 9/18/05

- C. **Tenant-occupied property:** (i) Property shall be vacant at least 5 (or ☐ _____) Days Prior to Close Of Escrow, unless otherwise agreed in writing. **Note to Seller:** If you are unable to deliver Property vacant in accordance with rent control and other applicable Law, you may be in breach of this Agreement.
- OR (ii) (if checked) ☐ **Tenant to remain in possession.** The attached addendum is incorporated into this Agreement (C.A.R. Form PAA, paragraph 3.);
- OR (iii) (if checked) ☐ **This Agreement is contingent** upon Buyer and Seller entering into a written agreement regarding occupancy of the Property within the time specified in paragraph 14B(1). If no written agreement is reached within this time, either Buyer or Seller may cancel this Agreement in writing.
- D. At Close Of Escrow, Seller assigns to Buyer any assignable warranty rights for items included in the sale and shall provide any available Copies of such warranties. Brokers cannot and will not determine the assignability of any warranties.
- E. At Close Of Escrow, unless otherwise agreed in writing, Seller shall provide keys and/or means to operate all locks, mailboxes, security systems, alarms and garage door openers. If Property is a condominium or located in a common interest subdivision, Buyer may be required to pay a deposit to the Homeowners' Association ("HOA") to obtain keys to accessible HOA facilities.
4. **ALLOCATION OF COSTS** (If checked): Unless otherwise specified here, this paragraph only determines who is to pay for the report, inspection, test or service mentioned. If not specified here or elsewhere in this Agreement, the determination of who is to pay for any work recommended or identified by any such report, inspection, test or service shall be by the method specified in paragraph 14B(2).
- A. **WOOD DESTROYING PEST INSPECTION:**
- (1) ☐ Buyer ☒ Seller shall pay for an inspection and report for wood destroying pests and organisms ("Report") which shall be prepared by Seller's choice, a registered structural pest control company. The Report shall cover the accessible areas of the main building and attached structures and, if checked: ☐ detached garages and carports, ☐ detached decks, ☐ the following other structures or areas _____.
- The Report shall not include roof coverings. If Property is a condominium or located in a common interest subdivision, the Report shall include only the separate interest and any exclusive-use areas being transferred and shall not include common areas, unless otherwise agreed. Water tests of shower pans on upper level units may not be performed without consent of the owners of property below the shower.
- OR (2) ☒ (If checked) The attached addendum (C.A.R. Form WPA) regarding wood destroying pest inspection and allocation of cost is incorporated into this Agreement.
- B. **OTHER INSPECTIONS AND REPORTS:**
- (1) ☐ Buyer ☒ Seller shall pay to have septic or private sewage disposal systems inspected _____.
- (2) ☐ Buyer ☒ Seller shall pay to have domestic wells tested for water potability and productivity _____.
- (3) ☐ Buyer ☒ Seller shall pay for a natural hazard zone disclosure report prepared by prop ID _____.
- (4) ☐ Buyer ☐ Seller shall pay for the following inspection or report _____.
- (5) ☐ Buyer ☐ Seller shall pay for the following inspection or report _____.
- C. **GOVERNMENT REQUIREMENTS AND RETROFIT:**
- (1) ☐ Buyer ☒ Seller shall pay for smoke detector installation and/or water heater bracing, if required by Law. Prior to Close Of Escrow, Seller shall provide Buyer a written statement of compliance in accordance with state and local Law, unless exempt.
- (2) ☐ Buyer ☒ Seller shall pay the cost of compliance with any other minimum mandatory government retrofit standards, inspections and reports if required as a condition of closing escrow under any Law. _____.
- D. **ESCROW AND TITLE:**
- (1) ☒ Buyer ☒ Seller shall pay escrow fee Each pay their own. Escrow Holder shall be Westcoast Escrow / Anthony Leonard.
- (2) ☐ Buyer ☐ Seller shall pay for owner's title insurance policy specified in paragraph 12E _____.
- Owner's title policy to be issued by Equity _____.
- (Buyer shall pay for any title insurance policy insuring Buyer's lender, unless otherwise agreed in writing.)
- E. **OTHER COSTS:**
- (1) ☐ Buyer ☒ Seller shall pay County transfer tax or transfer fee _____.
- (2) ☐ Buyer ☒ Seller shall pay City transfer tax or transfer fee _____.
- (3) ☐ Buyer ☒ Seller shall pay HOA transfer fee _____.
- (4) ☐ Buyer ☒ Seller shall pay HOA document preparation fees _____.
- (5) ☐ Buyer ☒ Seller shall pay the cost, not to exceed \$ 2,000, of a one-year home warranty plan, issued by Buyer's choice _____.
- with the following optional coverage: To be done in escrow _____.
- (6) ☐ Buyer ☐ Seller shall pay for _____.
- (7) ☐ Buyer ☐ Seller shall pay for _____.
5. **STATUTORY DISCLOSURES (INCLUDING LEAD-BASED PAINT HAZARD DISCLOSURES) AND CANCELLATION RIGHTS:**
- A. (1) Seller shall, within the time specified in paragraph 14A, deliver to Buyer, if required by Law: (i) Federal Lead-Based Paint Disclosures and pamphlet ("Lead Disclosures"); and (ii) disclosures or notices required by sections 1102 et. seq. and 1103 et. seq. of the California Civil Code ("Statutory Disclosures"). Statutory Disclosures include, but are not limited to, a Real Estate Transfer Disclosure Statement ("TDS"), Natural Hazard Disclosure Statement ("NHD"), notice of actual knowledge of release of illegal controlled substance, notice of special tax and/or assessments (or, if allowed, substantially equivalent notice regarding the Mello-Roos Community Facilities Act and Improvement Bond Act of 1915) and, if Seller has actual knowledge, an industrial use and military ordnance location disclosure (C.A.R. Form SSD).
- (2) Buyer shall, within the time specified in paragraph 14B(1), return Signed Copies of the Statutory and Lead Disclosures to Seller.
- (3) In the event Seller, prior to Close Of Escrow, becomes aware of adverse conditions materially affecting the Property, or any material inaccuracy in disclosures, information or representations previously provided to Buyer of which Buyer is otherwise unaware, Seller shall promptly provide a subsequent or amended disclosure or notice, in writing, covering those items. However, a subsequent or amended disclosure shall not be required for conditions and material inaccuracies disclosed in reports ordered and paid for by Buyer.

Buyer's Initials (TMO) (_____) (_____)

Seller's Initials (_____) (_____) (_____)

Reviewed by _____ Date _____

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CALIFORNIA RESIDENTIAL PURCHASE AGREEMENT (RPA-CA PAGE 2 OF 8)

Confidential Treatment Requested

SEN009693

Property Address: 3620 Sweetwater Mesa Rd

Date: _____

- (4) If any disclosure or notice specified in 5A(1), or subsequent or amended disclosure or notice is delivered to Buyer after the offer is Signed, Buyer shall have the right to cancel this Agreement within **3 Days** After delivery in person, or **5 Days** After delivery by deposit in the mail, by giving written notice of cancellation to Seller or Seller's agent. (Lead Disclosures sent by mail must be sent certified mail or better.)
- (5) **Note to Buyer and Seller: Waiver of Statutory and Lead Disclosures is prohibited by Law.**
- B. NATURAL AND ENVIRONMENTAL HAZARDS:** Within the time specified in paragraph 14A, Seller shall, if required by Law: (i) deliver to Buyer earthquake guides (and questionnaire) and environmental hazards booklet; (ii) even if exempt from the obligation to provide a NHD, disclose if the Property is located in a Special Flood Hazard Area; Potential Flooding (Inundation) Area; Very High Fire Hazard Zone; State Fire Responsibility Area; Earthquake Fault Zone; Seismic Hazard Zone; and (iii) disclose any other zone as required by Law and provide any other information required for those zones.
- C. DATA BASE DISCLOSURE: NOTICE:** The California Department of Justice, sheriff's departments, police departments serving jurisdictions of 200,000 or more and many other local law enforcement authorities maintain for public access a data base of the locations of persons required to register pursuant to paragraph (1) of subdivision (a) of Section 290.4 of the Penal Code. The data base is updated on a quarterly basis and a source of information about the presence of these individuals in any neighborhood. The Department of Justice also maintains a Sex Offender Identification Line through which inquiries about individuals may be made. This is a "900" telephone service. Callers must have specific information about individuals they are checking. Information regarding neighborhoods is not available through the "900" telephone service.
- 6. CONDOMINIUM/PLANNED UNIT DEVELOPMENT DISCLOSURES:**
- A. SELLER HAS: 7 (or ☐ _____) Days** After Acceptance to disclose to Buyer whether the Property is a condominium, or is located in a planned unit development or other common interest subdivision (C.A.R. Form SSD).
- B. If the Property is a condominium or is located in a planned unit development or other common interest subdivision, Seller has 3 (or ☐ _____) Days** After Acceptance to request from the HOA (C.A.R. Form HOA): (i) Copies of any documents required by Law; (ii) disclosure of any pending or anticipated claim or litigation by or against the HOA; (iii) a statement containing the location and number of designated parking and storage spaces; (iv) Copies of the most recent 12 months of HOA minutes for regular and special meetings; and (v) the names and contact information of all HOAs governing the Property (collectively, "CI Disclosures"). Seller shall itemize and deliver to Buyer all CI Disclosures received from the HOA and any CI Disclosures in Seller's possession. Buyer's approval of CI Disclosures is a contingency of this Agreement as specified in paragraph 14B(3).
- 7. CONDITIONS AFFECTING PROPERTY:**
- A. Unless otherwise agreed: (i) the Property is sold (a) in its PRESENT physical condition as of the date of Acceptance and (b) subject to Buyer's investigation rights; (ii) the Property, including pool, spa, landscaping and grounds, is to be maintained in substantially the same condition as on the date of Acceptance; and (iii) all debris and personal property not included in the sale shall be removed by Close Of Escrow.**
- B. SELLER SHALL, within the time specified in paragraph 14A, DISCLOSE KNOWN MATERIAL FACTS AND DEFECTS affecting the Property, including known insurance claims within the past five years, AND MAKE OTHER DISCLOSURES REQUIRED BY LAW (C.A.R. Form SSD).**
- C. NOTE TO BUYER: You are strongly advised to conduct investigations of the entire Property in order to determine its present condition since Seller may not be aware of all defects affecting the Property or other factors that you consider important. Property improvements may not be built according to code, in compliance with current Law, or have had permits issued.**
- D. NOTE TO SELLER: Buyer has the right to inspect the Property and, as specified in paragraph 14B, based upon information discovered in those inspections: (i) cancel this Agreement; or (ii) request that you make Repairs or take other action.**
- 8. ITEMS INCLUDED AND EXCLUDED:**
- A. NOTE TO BUYER AND SELLER:** Items listed as included or excluded in the MLS, flyers or marketing materials are not included in the purchase price or excluded from the sale unless specified in 8B or C.
- B. ITEMS INCLUDED IN SALE:**
- (1) All EXISTING fixtures and fittings that are attached to the Property;
- (2) Existing electrical, mechanical, lighting, plumbing and heating fixtures, ceiling fans, fireplace inserts, gas logs and grates, solar systems, built-in appliances, window and door screens, awnings, shutters, window coverings, attached floor coverings, television antennas, satellite dishes, private integrated telephone systems, air coolers/conditioners, pool/spa equipment, garage door openers/remote controls, mailbox, in-ground landscaping, trees/shrubs, water softeners, water purifiers, security systems/alarms; and
- (3) The following items: _____
- (4) Seller represents that all items included in the purchase price, unless otherwise specified, are owned by Seller.
- (5) All items included shall be transferred free of liens and without Seller warranty.
- C. ITEMS EXCLUDED FROM SALE:** _____
- 9. BUYER'S INVESTIGATION OF PROPERTY AND MATTERS AFFECTING PROPERTY:**
- A. Buyer's acceptance of the condition of, and any other matter affecting the Property, is a contingency of this Agreement as specified in this paragraph and paragraph 14B. Within the time specified in paragraph 14B(1), Buyer shall have the right, at Buyer's expense unless otherwise agreed, to conduct inspections, investigations, tests, surveys and other studies ("Buyer Investigations"), including, but not limited to, the right to: (i) inspect for lead-based paint and other lead-based paint hazards; (ii) inspect for wood destroying pests and organisms; (iii) review the registered sex offender database; (iv) confirm the insurability of Buyer and the Property; and (v) satisfy Buyer as to any matter specified in the attached Buyer's Inspection Advisory (C.A.R. Form BIA). Without Seller's prior written consent, Buyer shall neither make nor cause to be made: (i) invasive or destructive Buyer Investigations; or (ii) inspections by any governmental building or zoning inspector or government employee, unless required by Law.**
- B. Buyer shall complete Buyer Investigations and, as specified in paragraph 14B, remove the contingency or cancel this Agreement. Buyer shall give Seller, at no cost, complete Copies of all Buyer Investigation reports obtained by Buyer. Seller shall make the Property available for all Buyer Investigations. Seller shall have water, gas, electricity and all operable pilot lights on for Buyer's Investigations and through the date possession is made available to Buyer.**

Buyer's Initials TMD (_____) (_____)

Seller's Initials (_____) (_____)

Reviewed by _____ Date _____

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CALIFORNIA RESIDENTIAL PURCHASE AGREEMENT (RPA-CA PAGE 3 OF 8)



Confidential Treatment Requested

SEN009694

Property Address: 3420 Sweetwater Mesa Rd

Date: _____

10. **REPAIRS:** Repairs shall be completed prior to final verification of condition unless otherwise agreed in writing. Repairs to be performed at Seller's expense may be performed by Seller or through others, provided that the work complies with applicable Law, including governmental permit, inspection and approval requirements. Repairs shall be performed in a good, skillful manner with materials of quality and appearance comparable to existing materials. It is understood that exact restoration of appearance or cosmetic items following all Repairs may not be possible. Seller shall: (i) obtain receipts for Repairs performed by others; (ii) prepare a written statement indicating the Repairs performed by Seller and the date of such Repairs; and (iii) provide Copies of receipts and statements to Buyer prior to final verification of condition.
11. **BUYER INDEMNITY AND SELLER PROTECTION FOR ENTRY UPON PROPERTY:** Buyer shall: (i) keep the Property free and clear of liens; (ii) Repair all damage arising from Buyer Investigations; and (iii) indemnify and hold Seller harmless from all resulting liability, claims, demands, damages and costs. Buyer shall carry, or Buyer shall require anyone acting on Buyer's behalf to carry, policies of liability, workers' compensation and other applicable insurance, defending and protecting Seller from liability for any injuries to persons or property occurring during any Buyer Investigations or work done on the Property at Buyer's direction prior to Close Of Escrow. Seller is advised that certain protections may be afforded Seller by recording a "Notice of Non-responsibility" (C.A.R. Form NNR) for Buyer Investigations and work done on the Property at Buyer's direction. Buyer's obligations under this paragraph shall survive the termination of this Agreement.
12. **TITLE AND VESTING:**
- A. Within the time specified in paragraph 14, Buyer shall be provided a current preliminary (title) report, which is only an offer by the title insurer to issue a policy of title insurance and may not contain every item affecting title. Buyer's review of the preliminary report and any other matters which may affect title are a contingency of this Agreement as specified in paragraph 14B.
 - B. Title is taken in its present condition subject to all encumbrances, easements, covenants, conditions, restrictions, rights and other matters, whether of record or not, as of the date of Acceptance except: (i) monetary liens of record unless Buyer is assuming those obligations or taking the Property subject to those obligations; and (ii) those matters which Seller has agreed to remove in writing.
 - C. Within the time specified in paragraph 14A, Seller has a duty to disclose to Buyer all matters known to Seller affecting title, whether of record or not.
 - D. At Close Of Escrow, Buyer shall receive a grant deed conveying title (or, for stock cooperative or long-term lease, an assignment of stock certificate or of Seller's leasehold interest), including oil, mineral and water rights if currently owned by Seller. Title shall vest as designated in Buyer's supplemental escrow instructions. THE MANNER OF TAKING TITLE MAY HAVE SIGNIFICANT LEGAL AND TAX CONSEQUENCES. CONSULT AN APPROPRIATE PROFESSIONAL.
 - E. Buyer shall receive a CLTA/ALTA Homeowner's Policy of Title Insurance. A title company, at Buyer's request, can provide information about the availability, desirability, coverage, and cost of various title insurance coverages and endorsements. If Buyer desires title coverage other than that required by this paragraph, Buyer shall instruct Escrow Holder in writing and pay any increase in cost.
13. **SALE OF BUYER'S PROPERTY:**
- A. This Agreement is NOT contingent upon the sale of any property owned by Buyer.
 - OR B. ☐ (If checked): The attached addendum (C.A.R. Form COP) regarding the contingency for the sale of property owned by Buyer is incorporated into this Agreement.
14. **TIME PERIODS; REMOVAL OF CONTINGENCIES; CANCELLATION RIGHTS:** The following time periods may only be extended, altered, modified or changed by mutual written agreement. Any removal of contingencies or cancellation under this paragraph must be in writing (C.A.R. Form CR).
- A. **SELLER HAS:** 7 (or ☐ _____) Days After Acceptance to deliver to Buyer all reports, disclosures and information for which Seller is responsible under paragraphs 4, 5A and B, 6A, 7B and 12.
 - B. (1) **BUYER HAS:** 17 (or 30) Days After Acceptance, unless otherwise agreed in writing, to:
 - (i) complete all Buyer Investigations; approve all disclosures, reports and other applicable information, which Buyer receives from Seller; and approve all matters affecting the Property (including lead-based paint and lead-based paint hazards as well as other information specified in paragraph 5 and insurability of Buyer and the Property); and
 - (ii) return to Seller Signed Copies of Statutory and Lead Disclosures delivered by Seller in accordance with paragraph 5A.
 (2) Within the time specified in 14B(1), Buyer may request that Seller make repairs or take any other action regarding the Property (C.A.R. Form RR). Seller has no obligation to agree to or respond to Buyer's requests.
 - (3) By the end of the time specified in 14B(1) (or 2I for loan contingency or 2J for appraisal contingency), Buyer shall, in writing, remove the applicable contingency (C.A.R. Form CR) or cancel this Agreement. However, if (i) government-mandated inspections/ reports required as a condition of closing; or (ii) Common Interest Disclosures pursuant to paragraph 6B are not made within the time specified in 14A, then Buyer has 5 (or ☐ _____) Days After receipt of any such items, or the time specified in 14B(1), whichever is later, to remove the applicable contingency or cancel this Agreement in writing.
- C. **CONTINUATION OF CONTINGENCY OR CONTRACTUAL OBLIGATION; SELLER RIGHT TO CANCEL:**
- (1) **Seller right to Cancel; Buyer Contingencies:** Seller, after first giving Buyer a Notice to Buyer to Perform (as specified below), may cancel this Agreement in writing and authorize return of Buyer's deposit if, by the time specified in this Agreement, Buyer does not remove in writing the applicable contingency or cancel this Agreement. Once all contingencies have been removed, failure of either Buyer or Seller to close escrow on time may be a breach of this Agreement.
 - (2) **Continuation of Contingency:** Even after the expiration of the time specified in 14B, Buyer retains the right to make requests to Seller, remove in writing the applicable contingency or cancel this Agreement until Seller cancels pursuant to 14C(1). Once Seller receives Buyer's written removal of all contingencies, Seller may not cancel this Agreement pursuant to 14C(1).
 - (3) **Seller right to Cancel; Buyer Contract Obligations:** Seller, after first giving Buyer a Notice to Buyer to Perform (as specified below), may cancel this Agreement in writing and authorize return of Buyer's deposit for any of the following reasons: (i) if Buyer fails to deposit funds as required by 2A or 2B; (ii) if the funds deposited pursuant to 2A or 2B are not good when deposited; (iii) if Buyer fails to provide a letter as required by 2G; (iv) if Buyer fails to provide verification as required by 2H or 2L; (v) if Seller reasonably disapproves of the verification provided by 2H or 2L; (vi) if Buyer fails to return Statutory and Lead Disclosures as required by paragraph 5A(2); or (vii) if Buyer fails to sign or initial a separate liquidated damage form for an increased deposit as required by paragraph 16. Seller is not required to give Buyer a Notice to Perform regarding Close of Escrow.
 - (4) **Notice To Buyer To Perform:** The Notice to Buyer to Perform (C.A.R. Form NBP) shall: (i) be in writing; (ii) be signed by Seller; and (iii) give Buyer at least 24 (or 48) hours (or until the time specified in the applicable paragraph, whichever occurs last) to take the applicable action. A Notice to Buyer to Perform may not be given any earlier than 2 Days Prior to the expiration of the applicable time for Buyer to remove a contingency or cancel this Agreement or meet a 14C(3) obligation.

Buyer's Initials JS _____
Seller's Initials _____Copyright © 1991-2004, CALIFORNIA ASSOCIATION OF REALTORS®, INC.
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BUYER'S COPY

Reviewed by _____ Date _____



CALIFORNIA RESIDENTIAL PURCHASE AGREEMENT (RPA-CA PAGE 4 OF 8)

Confidential Treatment Requested

SEN009695

Property Address: 3620 Sweetwater Mesa Rd.

Date: _____

- D. EFFECT OF BUYER'S REMOVAL OF CONTINGENCIES:** If Buyer removes, in writing, any contingency or cancellation rights, unless otherwise specified in a separate written agreement between Buyer and Seller, Buyer shall conclusively be deemed to have: (i) completed all Buyer Investigations, and review of reports and other applicable information and disclosures pertaining to that contingency or cancellation right; (ii) elected to proceed with the transaction; and (iii) assumed all liability, responsibility and expense for Repairs or corrections pertaining to that contingency or cancellation right, or for inability to obtain financing.
- E. EFFECT OF CANCELLATION ON DEPOSITS:** If Buyer or Seller gives written notice of cancellation pursuant to rights duly exercised under the terms of this Agreement, Buyer and Seller agree to Sign mutual instructions to cancel the sale and escrow and release deposits to the party entitled to the funds, less fees and costs incurred by that party. Fees and costs may be payable to service providers and vendors for services and products provided during escrow. **Release of funds will require mutual Signed release instructions from Buyer and Seller, judicial decision or arbitration award. A party may be subject to a civil penalty of up to \$1,000 for refusal to sign such instructions if no good faith dispute exists as to who is entitled to the deposited funds (Civil Code §1057.3).**
- 15. FINAL VERIFICATION OF CONDITION:** Buyer shall have the right to make a final inspection of the Property within 5 (or _____) Days Prior to Close Of Escrow, NOT AS A CONTINGENCY OF THE SALE, but solely to confirm: (i) the Property is maintained pursuant to paragraph 7A; (ii) Repairs have been completed as agreed; and (iii) Seller has complied with Seller's other obligations under this Agreement.
- 16. LIQUIDATED DAMAGES:** If Buyer fails to complete this purchase because of Buyer's default, Seller shall retain, as liquidated damages, the deposit actually paid. If the Property is a dwelling with no more than four units, one of which Buyer intends to occupy, then the amount retained shall be no more than 3% of the purchase price. Any excess shall be returned to Buyer. Release of funds will require mutual, Signed release instructions from both Buyer and Seller, judicial decision or arbitration award.
- BUYER AND SELLER SHALL SIGN A SEPARATE LIQUIDATED DAMAGES PROVISION FOR ANY INCREASED DEPOSIT. (C.A.R. FORM RID)**

Buyer's Initials <u>FW</u>	Seller's Initials _____
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17. DISPUTE RESOLUTION:

- A. MEDIATION:** Buyer and Seller agree to mediate any dispute or claim arising between them out of this Agreement, or any resulting transaction, before resorting to arbitration or court action. Paragraphs 17B(2) and (3) below apply whether or not the Arbitration provision is initiated. Mediation fees, if any, shall be divided equally among the parties involved. If, for any dispute or claim to which this paragraph applies, any party commences an action without first attempting to resolve the matter through mediation, or refuses to mediate after a request has been made, then that party shall not be entitled to recover attorney fees, even if they would otherwise be available to that party in any such action. THIS MEDIATION PROVISION APPLIES WHETHER OR NOT THE ARBITRATION PROVISION IS INITIALED.
- B. ARBITRATION OF DISPUTES:** (1) Buyer and Seller agree that any dispute or claim in Law or equity arising between them out of this Agreement or any resulting transaction, which is not settled through mediation, shall be decided by neutral, binding arbitration, including and subject to paragraphs 17B(2) and (3) below. The arbitrator shall be a retired judge or justice, or an attorney with at least 5 years of residential real estate Law experience, unless the parties mutually agree to a different arbitrator, who shall render an award in accordance with substantive California Law. The parties shall have the right to discovery in accordance with California Code of Civil Procedure §1283.05. In all other respects, the arbitration shall be conducted in accordance with Title 9 of Part III of the California Code of Civil Procedure. Judgment upon the award of the arbitrator(s) may be entered into any court having jurisdiction. Interpretation of this agreement to arbitrate shall be governed by the Federal Arbitration Act.
- (2) **EXCLUSIONS FROM MEDIATION AND ARBITRATION:** The following matters are excluded from mediation and arbitration: (i) a judicial or non-judicial foreclosure or other action or proceeding to enforce a deed of trust, mortgage or installment land sale contract as defined in California Civil Code §2985; (ii) an unlawful detainer action; (iii) the filing or enforcement of a mechanic's lien; and (iv) any matter that is within the jurisdiction of a probate, small claims or bankruptcy court. The filing of a court action to enable the recording of a notice of pending action, for order of attachment, receivership, injunction, or other provisional remedies, shall not constitute a waiver of the mediation and arbitration provisions.
- (3) **BROKERS:** Buyer and Seller agree to mediate and arbitrate disputes or claims involving either or both Brokers, consistent with 17A and B, provided either or both Brokers shall have agreed to such mediation or arbitration prior to, or within a reasonable time after, the dispute or claim is presented to Brokers. Any election by either or both Brokers to participate in mediation or arbitration shall not result in Brokers being deemed parties to the Agreement.

"NOTICE: BY INITIALING IN THE SPACE BELOW YOU ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION DECIDED BY NEUTRAL ARBITRATION AS PROVIDED BY CALIFORNIA LAW AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR JURY TRIAL. BY INITIALING IN THE SPACE BELOW YOU ARE GIVING UP YOUR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, UNLESS THOSE RIGHTS ARE SPECIFICALLY INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION. IF YOU REFUSE TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, YOU MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE CALIFORNIA CODE OF CIVIL PROCEDURE. YOUR AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY."

"WE HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION TO NEUTRAL ARBITRATION."

Buyer's Initials <u>FW</u>	Seller's Initials _____
----------------------------	-------------------------

Buyer's Initials FW (_____) (_____)

Seller's Initials _____ (_____) (_____)

Reviewed by FW Date _____

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CALIFORNIA RESIDENTIAL PURCHASE AGREEMENT (RPA-CA PAGE 5 OF 8)

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SEN009696

Property Address: 3620 Sweetwater Mesa Rd

Date: _____

- 18. PRORATIONS OF PROPERTY TAXES AND OTHER ITEMS:** Unless otherwise agreed in writing, the following items shall be PAID CURRENT and prorated between Buyer and Seller as of Close Of Escrow: real property taxes and assessments, interest, rents, HOA regular, special, and emergency dues and assessments imposed prior to Close Of Escrow, premiums on insurance assumed by Buyer, payments on bonds and assessments assumed by Buyer, and payments on Mello-Roos and other Special Assessment District bonds and assessments that are now a lien. The following items shall be assumed by Buyer WITHOUT CREDIT toward the purchase price: prorated payments on Mello-Roos and other Special Assessment District bonds and assessments and HOA special assessments that are now a lien but not yet due. Property will be reassessed upon change of ownership. Any supplemental tax bills shall be paid as follows: (i) for periods after Close Of Escrow, by Buyer; and (ii) for periods prior to Close Of Escrow, by Seller. TAX BILLS ISSUED AFTER CLOSE OF ESCROW SHALL BE HANDLED DIRECTLY BETWEEN BUYER AND SELLER. Prorations shall be made based on a 30-day month.
- 19. WITHHOLDING TAXES:** Seller and Buyer agree to execute any instrument, affidavit, statement or instruction reasonably necessary to comply with federal (FIRPTA) and California withholding Law, if required (C.A.R. Forms AS and AB).
- 20. MULTIPLE LISTING SERVICE ("MLS"):** Brokers are authorized to report to the MLS a pending sale and, upon Close Of Escrow, the terms of this transaction to be published and disseminated to persons and entities authorized to use the information on terms approved by the MLS.
- 21. EQUAL HOUSING OPPORTUNITY:** The Property is sold in compliance with federal, state and local anti-discrimination Laws.
- 22. ATTORNEY FEES:** In any action, proceeding, or arbitration between Buyer and Seller arising out of this Agreement, the prevailing Buyer or Seller shall be entitled to reasonable attorney fees and costs from the non-prevailing Buyer or Seller, except as provided in paragraph 17A.
- 23. SELECTION OF SERVICE PROVIDERS:** If Brokers refer Buyer or Seller to persons, vendors, or service or product providers ("Providers"), Brokers do not guarantee the performance of any Providers. Buyer and Seller may select ANY Providers of their own choosing.
- 24. TIME OF ESSENCE; ENTIRE CONTRACT; CHANGES:** Time is of the essence. All understandings between the parties are incorporated in this Agreement. Its terms are intended by the parties as a final, complete and exclusive expression of their Agreement with respect to its subject matter, and may not be contradicted by evidence of any prior agreement or contemporaneous oral agreement. If any provision of this Agreement is held to be ineffective or invalid, the remaining provisions will nevertheless be given full force and effect. **Neither this Agreement nor any provision in it may be extended, amended, modified, altered or changed, except in writing Signed by Buyer and Seller.**
- 25. OTHER TERMS AND CONDITIONS,** including attached supplements:
- A. ☒ Buyer's Inspection Advisory (C.A.R. Form BIA)
 - B. ☒ Purchase Agreement Addendum (C.A.R. Form PAA paragraph numbers: _____)
 - C. ☒ Statewide Buyer and Statewide Advisory (C.A.R. Form SBSA)
 - D. ☒ Malibu Topanga Disclosure Addendum
Can't identify agreement by all parties engaged in this offer.
- 26. DEFINITIONS:** As used in this Agreement:
- A. "Acceptance" means the time the offer or final counter offer is accepted in writing by a party and is delivered to and personally received by the other party or that party's authorized agent in accordance with the terms of this offer or a final counter offer.
 - B. "Agreement" means the terms and conditions of this accepted California Residential Purchase Agreement and any accepted counter offers and addenda.
 - C. "C.A.R. Form" means the specific form referenced or another comparable form agreed to by the parties.
 - D. "Close Of Escrow" means the date the grant deed, or other evidence of transfer of title, is recorded. If the scheduled close of escrow falls on a Saturday, Sunday or legal holiday, then close of escrow shall be the next business day after the scheduled close of escrow date.
 - E. "Copy" means copy by any means including photocopy, NCR, facsimile and electronic.
 - F. "Days" means calendar days, unless otherwise required by Law.
 - G. "Days After" means the specified number of calendar days after the occurrence of the event specified, not counting the calendar date on which the specified event occurs, and ending at 11:59PM on the final day.
 - H. "Days Prior" means the specified number of calendar days before the occurrence of the event specified, not counting the calendar date on which the specified event is scheduled to occur.
 - I. "Electronic Copy" or "Electronic Signature" means, as applicable, an electronic copy or signature complying with California Law. Buyer and Seller agree that electronic means will not be used by either party to modify or alter the content or integrity of this Agreement without the knowledge and consent of the other.
 - J. "Law" means any law, code, statute, ordinance, regulation, rule or order, which is adopted by a controlling city, county, state or federal legislative, judicial or executive body or agency.
 - K. "Notice to Buyer to Perform" means a document (C.A.R. Form NBP), which shall be in writing and Signed by Seller and shall give Buyer at least 24 hours (or as otherwise specified in paragraph 14C(4)) to remove a contingency or perform as applicable.
 - L. "Repairs" means any repairs (including pest control), alterations, replacements, modifications or retrofitting of the Property provided for under this Agreement.
 - M. "Signed" means either a handwritten or electronic signature on an original document, Copy or any counterpart.
 - N. Singular and Plural terms each include the other, when appropriate.

Buyer's Initials THW (____) (____)
Seller's Initials _____ (____) (____)

Reviewed by _____ Date _____

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CALIFORNIA RESIDENTIAL PURCHASE AGREEMENT (RPA-CA PAGE 6 OF 8)

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SEN009697

Property Address: 3620 Sweetwater Mesa Rd.Date: 9/18/05**27. AGENCY:**

- A. DISCLOSURE:** Buyer and Seller each acknowledge prior receipt of C.A.R. Form AD "Disclosure Regarding Real Estate Agency Relationships."
- B. POTENTIALLY COMPETING BUYERS AND SELLERS:** Buyer and Seller each acknowledge receipt of a disclosure of the possibility of multiple representation by the Broker representing that principal. This disclosure may be part of a listing agreement, buyer-broker agreement or separate document (C.A.R. Form DA). Buyer understands that Broker representing Buyer may also represent other potential buyers, who may consider, make offers on or ultimately acquire the Property. Seller understands that Broker representing Seller may also represent other sellers with competing properties of interest to this Buyer.
- C. CONFIRMATION:** The following agency relationships are hereby confirmed for this transaction:
 Listing Agent Hutton and Hyland (Print Firm Name) is the agent of (check one): ☒ the Seller exclusively; ☐ both the Buyer and Seller.
 Selling Agent Caldwell Banker (Print Firm Name) (if not same as Listing Agent) is the agent of (check one): ☒ the Buyer exclusively; ☐ the Seller exclusively; or ☐ both the Buyer and Seller. Real Estate Brokers are not parties to the Agreement between Buyer and Seller.

28. JOINT ESCROW INSTRUCTIONS TO ESCROW HOLDER:

- A. The following paragraphs, or applicable portions thereof, of this Agreement constitute the joint escrow instructions of Buyer and Seller to Escrow Holder, which Escrow Holder is to use along with any related counter offers and addenda, and any additional mutual instructions to close the escrow: 1, 2, 4, 12, 13B, 14E, 18, 19, 24, 25B and C, 26, 28, 29, 32A, 33 and paragraph D of the section titled Real Estate Brokers on page 8. If a Copy of the separate compensation agreement(s) provided for in paragraph 29 or 32A, or paragraph D of the section titled Real Estate Brokers on page 8 is deposited with Escrow Holder by Broker, Escrow Holder shall accept such agreement(s) and pay out from Buyer's or Seller's funds, or both, as applicable, the Broker's compensation provided for in such agreement(s). The terms and conditions of this Agreement not set forth in the specified paragraphs are additional matters for the information of Escrow Holder, but about which Escrow Holder need not be concerned. Buyer and Seller will receive Escrow Holder's general provisions directly from Escrow Holder and will execute such provisions upon Escrow Holder's request. To the extent the general provisions are inconsistent or conflict with this Agreement, the general provisions will control as to the duties and obligations of Escrow Holder only. Buyer and Seller will execute additional instructions, documents and forms provided by Escrow Holder that are reasonably necessary to close the escrow.**
- B. A Copy of this Agreement shall be delivered to Escrow Holder within 3 business days after Acceptance (or ☐). Buyer and Seller authorize Escrow Holder to accept and rely on Copies and Signatures as defined in this Agreement as originals, to open escrow and for other purposes of escrow. The validity of this Agreement as between Buyer and Seller is not affected by whether or when Escrow Holder Signs this Agreement.**
- C. Brokers are a party to the escrow for the sole purpose of compensation pursuant to paragraphs 29, 32A and paragraph D of the section titled Real Estate Brokers on page 8. Buyer and Seller irrevocably assign to Brokers compensation specified in paragraphs 29 and 32A, respectively, and irrevocably instruct Escrow Holder to disburse those funds to Brokers at Close Of Escrow or pursuant to any other mutually executed cancellation agreement. Compensation instructions can be amended or revoked only with the written consent of Brokers. Escrow Holder shall immediately notify Brokers: (i) if Buyer's initial or any additional deposit is not made pursuant to this Agreement, or is not good at time of deposit with Escrow Holder; or (ii) if Buyer and Seller instruct Escrow Holder to cancel escrow.**
- D. A Copy of any amendment that affects any paragraph of this Agreement for which Escrow Holder is responsible shall be delivered to Escrow Holder within 2 business days after mutual execution of the amendment.**
- 29. BROKER COMPENSATION FROM BUYER:** If applicable, upon Close Of Escrow, Buyer agrees to pay compensation to Broker as specified in a separate written agreement between Buyer and Broker.
- 30. TERMS AND CONDITIONS OF OFFER:**
 This is an offer to purchase the Property on the above terms and conditions. All paragraphs with spaces for initials by Buyer and Seller are incorporated in this Agreement only if initialed by all parties. If at least one but not all parties initial, a counter offer is required until agreement is reached. Seller has the right to continue to offer the Property for sale and to accept any other offer at any time prior to notification of Acceptance. Buyer has read and acknowledges receipt of a Copy of the offer and agrees to the above confirmation of agency relationships. If this offer is accepted and Buyer subsequently defaults, Buyer may be responsible for payment of Brokers' compensation. This Agreement and any supplement, addendum or modification, including any Copy, may be Signed in two or more counterparts, all of which shall constitute one and the same writing.

Buyer's Initials JW ()
 Seller's Initials () ()

Reviewed by _____ Date _____

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CALIFORNIA RESIDENTIAL PURCHASE AGREEMENT (RPA-CA PAGE 7 OF 8)

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SEN009698

Property Address: 3620 Sweetwater Mesa Rd Date: 7/18/05
 31. **EXPIRATION OF OFFER:** This offer shall be deemed revoked and the deposit shall be returned unless the offer is signed by Seller and a Copy of the Signed offer is personally received by Buyer, or by Neil Boden, who is authorized to receive it by 5:00 PM on the third calendar day after this offer is signed by Buyer (or, if checked, ☐ by (date), at AM/PM).

Date 7/18/05 Date _____
 BUYER _____ BUYER _____

(Print name) _____ (Print name) _____

(Address) _____

32. **BROKER COMPENSATION FROM SELLER:**
 A. Upon Close Of Escrow, Seller agrees to pay compensation to Broker as specified in a separate written agreement between Seller and Broker.
 B. If escrow does not close, compensation is payable as specified in that separate written agreement.

33. **ACCEPTANCE OF OFFER:** Seller warrants that Seller is the owner of the Property, or has the authority to execute this Agreement. Seller accepts the above offer, agrees to sell the Property on the above terms and conditions, and agrees to the above confirmation of agency relationships. Seller has read and acknowledges receipt of a Copy of this Agreement, and authorizes Broker to deliver a Signed Copy to Buyer.

☐ (If checked) **SUBJECT TO ATTACHED COUNTER OFFER, DATED** _____

Date _____ Date _____
 SELLER _____ SELLER _____

(Print name) _____ (Print name) _____

(Address) _____

(/) **CONFIRMATION OF ACCEPTANCE:** A Copy of Signed Acceptance was personally received by Buyer or Buyer's authorized agent on (date) _____ at _____ AM/PM. A binding Agreement is created when a Copy of Signed Acceptance is personally received by Buyer or Buyer's authorized agent whether or not confirmed in this document. Completion of this confirmation is not legally required in order to create a binding Agreement; it is solely intended to evidence the date that Confirmation of Acceptance has occurred.

REAL ESTATE BROKERS:

- A. Real Estate Brokers are not parties to the Agreement between Buyer and Seller.
 B. Agency relationships are confirmed as stated in paragraph 27.
 C. If specified in paragraph 2A, Agent who submitted the offer for Buyer acknowledges receipt of deposit.
 D. **COOPERATING BROKER COMPENSATION:** Listing Broker agrees to pay Cooperating Broker (Selling Firm) and Cooperating Broker agrees to accept, out of Listing Broker's proceeds in escrow: (i) the amount specified in the MLS, provided Cooperating Broker is a Participant of the MLS in which the Property is offered for sale or a reciprocal MLS; or (ii) ☐ (if checked) the amount specified in a separate written agreement (O.A.R. Form CBC) between Listing Broker and Cooperating Broker.

Real Estate Broker (Selling Firm) Coldwell Banker
 By Neil Boden Date _____
 Address 9000 Sunset City L.A. State Ca Zip 90069
 Telephone 310-887-6208 Fax 310-850-7561 E-mail _____

Real Estate Broker (Listing Firm) _____
 By _____ Date _____
 Address _____ City _____ State _____ Zip _____
 Telephone _____ Fax _____ E-mail _____

ESCROW HOLDER ACKNOWLEDGMENT:

Escrow Holder acknowledges receipt of a Copy of this Agreement, (if checked, ☐ a deposit in the amount of \$ _____), counter offer numbers _____ and _____, and agrees to act as Escrow Holder subject to paragraph 28 of this Agreement, any supplemental escrow instructions and the terms of Escrow Holder's general provisions.

Escrow Holder is advised that the date of Confirmation of Acceptance of the Agreement as between Buyer and Seller is _____

Escrow Holder _____ Escrow # _____
 By _____ Date _____
 Address _____
 Phone/Fax/E-mail _____

Escrow Holder is licensed by the California Department of ☐ Corporations, ☐ Insurance, ☐ Real Estate. License # _____

(/) **REJECTION OF OFFER:** No counter offer is being made. This offer was reviewed and rejected by Seller on (Seller's Initials) _____ (Date) _____

THIS FORM HAS BEEN APPROVED BY THE CALIFORNIA ASSOCIATION OF REALTORS® (C.A.R.). NO REPRESENTATION IS MADE AS TO THE LEGAL VALIDITY OR ADEQUACY OF ANY PROVISION IN ANY SPECIFIC TRANSACTION. A REAL ESTATE BROKER IS THE PERSON QUALIFIED TO ADVISE ON REAL ESTATE TRANSACTIONS. IF YOU DESIRE LEGAL OR TAX ADVICE, CONSULT AN APPROPRIATE PROFESSIONAL.

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Neil Boden CALIFORNIA RESIDENTIAL PURCHASE AGREEMENT (RPA-CA PAGE 8 OF 8)

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